AMERICAN JEWISH CONGRESS— GENERAL COUNSEL: MASLOW, WILL

TOYOTA CORPORATION, 1981-1991

Bush Backs Baker View of Mideast Peace Barriers

By THOMAS L. FRIEDMAN
Special to The New York Times

WASHINGTON, May 23 — A group of senators harshly chastised Secretary of State James A. Baker 3d today for his contention that nothing has more complicated his peacemaking efforts in the Middle East than Israel's expansion of settlements in the occupied territories.

But President Bush defended his Secretary of State, saying: "Secretary Baker was speaking for this Administration and I strongly support what he said and I strongly support what he is trying to do. Our policy is well known, and it would make a big contribution to peace if these settlements would stop."

Mr. Bush's defense of Mr. Baker's statement came in an afternoon chat with reporters, after he gave a somewhat more cautious answer when he was asked at a morning news conference whether he shared Mr. Baker's assessment. Those restrained earlier comments were intrepreted by some reporters as suggesting that the President was distancing himself from Mr. Baker, and when the State Department made this known to the White House the President held a second impromptu news conference that left no doubt where he stood.

"I am backing the man," he declared. "I'm stating the policy of the United States of America and so was the Secretary. We would like to see those settlements stopped."

The Conference of Presidents of Major American Jewish Organizations issued a statement today saying that it was "shocked and dismayed" by Mr. Baker's remarks on Wednesday to a House subcommittee, and that view was shared by members of the Senate Foreign Operations subcommittee, where Mr. Baker testified today.

The Senators, however, did not confine themselves to criticizing Mr. Baker for his rebuke of Israel. They also scathingly expressed their disgust with Saudi Arabia and Kuwait for not being more forthcoming toward Israel after the Persian Gulf war and for their failure, as the lawmakers put it, to institute even the most token democratic reforms after having been rescued from Iraq by the United States.

Mr. Baker was on the defensive from the start, as Saudi Arabia was denounced for barring entry of Senator Frank R. Lautenberg because he had an Israeli visa in his passport, Kuwait was denounced for imposing a 15-year jail term for wearing a T-shirt with Saddam Hussein's picture, and Syria was depicted as a terrorist state that has used money it got from Saudi Arabia to buy Scud missiles from North Korea.

'They Sent Out a 911'

"I must tell you, Mr. Secretary," said Senator Lautenberg, Democrat of New Jersey, "it is a significant frustration of mine — that we seem to have gotten nothing — nothing from Saudi Arabia or Kuwait or the other countries whose lives we saved, whose sovereignty we saved, whose assets we saved. They sent out a 911. We responded as no emergency team has ever responded in history. And what do we get? We don't even get payment on the pledges that they made to help us through the financial crisis."

Mr. Lautenberg then asked: "Can you imagine what would have happened if the Isra[illegible]ried a Palestinian who[illegible] Arafat on his T[illegible]on [illegible]

STEP

Fighting the boycott

Toyota provides a shot in the arm, but strong resistance remains

By JAMES DAVID BESSER

WASHINGTON — Last week's news that Toyota, Japan's biggest carmaker, would sell its products in Israel gave a badly needed boost to pro-Israel activists here.

But even that good news wasn't enough to overcome a sense that the energetic push against the anti-Israel boycott, the primary strategy for Israel's friends in the weeks since the end of the Persian Gulf war, was not producing the hoped-for results.

"There's a lot of frustration," said the top aid to a Democratic congressman who has been working hard in recent days on several pieces of anti-boycott legislation. "Even within our own government we're still finding strong resistance and a 'don't rock the boat' mentality."

INSIDE
Washington

Despite the flurry of activity on Capitol Hill, Kuwait and Saudi Arabia — the primary targets of the anti-boycott effort — have given little indication that they will formally renounce the secondary boycott.

Other sources suggest that it is still very early in the anti-boycott effort. Progress with Saudi Arabia, they suggest, will probably be linked to progress in the Middle East peace process. Kuwait may be willing to go further by simply ignoring the boycott. But the fact that the emirate is not formally renouncing it still has a chilling impact on companies seeking to do business in that country.

And the administration, in the middle of a complex effort to nudge the peace process off dead center, has not emphasized the boycott issue enough, say some leading anti-boycott crusaders.

But the anti-boycott effort remains a strong issue on Capitol Hill.

"In general, we've seen very mixed results so far," said Jess Hordes, Washington director for the Anti-Defamation League and a leading player in the effort to break down the secondary boycott as a first step in the peace process. "But there's a tremendous amount of interest on Capitol Hill; there are a lot of initiatives in the works. People sense that this is a ripe issue and they're looking for ways to accelerate the process."

The Toyota decision was a shot in the arm for the anti-boycott effort, Hordes said. The decision came after President Bush's meetings with Japanese Minister Kaifu in which the boycott was one of the topics considered by the two leaders.

■

Israel loves what Toyota does for it:

By ALIZA MARCUS

Toyota Motor Corp. has announced it will soon start selling cars in Israel, making it one of the first major Japanese companies to come out publicly against the Arab-led economic boycott of Israel.

"This is the most significant company to break with the boycott," said William Rapfogel, executive director of the Institute of Public Affairs, the public policy arm of the Union of Orthodox Jewish Congregations of America.

"We're very hopeful that the change in Toyota is a harbinger of things to come and that other companies will see opportunity in Israel and not feel the need to restrict trade with Israel," he said.

In recent years, Toyota had come under increasing pressure from Jewish organizations to begin sales in Israel, including a letter-writing campaign by Orthodox Union members.

■

The letter-writing campaign also targeted 17 other Japanese companies accused of adhering to the boycott, including Toshiba, Casio, Hitachi, Aiwa, Nippon Steel, Nissan and Mazda, said Rapfogel.

In addition, many other Jewish groups expressed concern that Toyota was in "tacit compliance" with the boycott, said Tim Andree, manager for external affairs at Toyota's North American headquarters here.

Although Toyota never admitted it adhered to the boycott, it was one of many Japanese companies that refused to do business with Israel.

"Our answer then, as it is now, is that we had to find the right partner and study the market, and that we don't jump into any market quickly," said Andree.

The economic boycott of Israel, organized in 1951 by the 21 nations of the Arab League, prohibits companies from trading with Israel. It also seeks to isolate companies that do business with the Jewish state.

U.S. laws make it illegal for American companies to adhere to the boycott or transfer information about a firm's dealings with Israel.

But the Export-Import Act of 1977 is only applicable to U.S. firms or U.S. subsidiaries of foreign companies. It has no jurisdiction over the parent company.

After the Gulf war and in light of American assistance to Saudi Arabia and Kuwait, U.S. officials have become more sensitive to the economic boycott and its psychological and economic impact on Israel.

■

Secretary of State James Baker has suggested to Arab countries that they drop the boycott as a sign of good faith for future negotiations with Israel. Last month, 82 U.S. senators signed a letter asking the emir of Kuwait to end his country's compliance with the boycott.

Jewish groups, meanwhile, have been focusing on Japanese compliance. The International Committee for Free Trade with Israel, an umbrella organization of six major Jewish groups, met recently with Japanese Embassy officials in Washington to express their concern over boycott compliance.

The issue came up again during a meeting in California between President Bush and Japanese Prime Minister Toshiki Kaifu. Japanese press reports said Kaifu expressed disapproval of the boycott.

Kaifu was quoted as saying that "Japan's relationship to Israel will be reinforced as part of Japan's post-war Middle East policy."

Toyota

Breaks ranks with Arab boycott

The Jewish Week, Inc. April 19-25, 1991 9

Jewish officials who monitor the boycott say Japanese compliance is due more to practical than to ideological reasons. Japan, an island nation with no natural oil reserves, is totally dependent on outside oil sources, making its relations with Arab countries of prime importance.

The Japanese government does not want to institute anti-boycott measures similar to those in the U.S., for fear of endangering oil supplies, said officials monitoring compliance.

The Anti-Defamation League of B'nai B'rith issued a statement welcoming Toyota's move and calling on other Japanese companies to follow that lead.

"Efforts by Arab states to enforce the economic boycott of Israel are destructive politically and harmful to the creation of a world market by free trade," said Abraham Foxman, ADL national director.

The American Jewish Committee called the decision "a major breakthrough in efforts to promote free and open trade between Japan and Israel."

The organization said officials of its Pacific Rim Institute would "continue discussions with the Japanese government and industry officials to encourage Japanese investment in Israel, as well as the removal of all remaining barriers to mutually beneficial trade relationships."

Toyota officials said the decision to sell cars in Israel was made almost a year ago, but its implementation was delayed by the Gulf crisis.

The first cars to be shipped to Israel will be the four-door Corolla subcompact, and Toyota hopes to sell 5,000 cars in 1992.

Israelis bought more than 100,000 new cars last year.

Jewish Telegraphic Agency

Toyota

Toyota to Build Plant in U.S., Reflecting Gains

Location of the Company's Second U.S. Car Facility Hasn't Been Chosen Yet

By PAUL INGRASSIA
Staff Reporter of THE WALL STREET JOURNAL

TORRANCE, Calif. — **Toyota Motor** Corp. plans to build a second car-assembly plant in the U.S., and will announce the site in the next 30 to 60 days.

The move comes as Japan's auto makers, thanks to their eight existing "transplants" in the U.S., are making gains in the American auto market that Detroit's Big Three manufacturers didn't imagine possible just a few years ago. Japanese auto makers took a 34% share of U.S. car sales last month, a record for the group. That exceeded the market share of industry leader **General Motors** Corp.

Including cars sold by the Big Three that were made in Japanese-owned or managed plants, the Japanese built 39% of the autos sold in the U.S. in August.

So far this year Japan's auto makers have nearly 30% of the U.S. car market, up from about 25% in the first eight months of last year. Toyota itself has been especially strong. Its market share in the U.S. has surged to 9.2% so far this year, up from about 6.8% a year ago.

Toyota's new car-assembly plant might be built adjacent to its existing factory in Georgetown, Ky., said James Olson, vice president of external affairs for the company's U.S. marketing arm. But he said several other sites also are being considered. All are within easy reach of the corps of auto-parts suppliers located along the Interstate 75 corridor between Detroit and Nashville, Tenn.

It isn't clear what car model or models Toyota will build at the plant, which could be open within two years of the announcement. Toyota builds the compact Camry model at its Kentucky plant and some Corolla subcompacts at its joint-venture factory with GM in Fremont, Calif. In addition, Toyota is putting a truck-assembly line in the Fremont factory that will build 100,000 compact pickups a year beginning next July. Toyota also has an assembly plant in Canada.

While Toyota hasn't previously acknowledged its intention to build another U.S. assembly plant, it has hinted at the possibility. Toyota officials had said they want to boost U.S. sales to about 1.5 million cars and trucks a year by 1995, up from the current 950,000, and to build about half of those vehicles in the U.S. and Canada. Those goals implied that another plant would be necessary.

Japanese auto makers started building plants in the U.S. in the early 1980s because of governmental restrictions on exports of their cars to the American mar-

Please Turn to Page A6, Column 2

Continued From Page A3

ket. Big Three executives welcomed the move—in fact, they actively demanded it—because they figured such plants would provide a "level playing field" and end the Japanese advantage in production costs. But now, Big Three executives concede that the Japanese transplants have a cost advantage of about $600 a car.

"What we really have is tremendous competition from the transplants," said **Chrysler** Corp. Chairman Lee A. Iacocca in a recent interview. "I don't have a perfect answer for that, okay?" Indeed, Chrysler has closed three U.S. assembly plants, one-third of its total, in the past two years.

Other Japanese car companies also are boosting their U.S. production capacity. **Nissan Motor** Co., for example, is greatly expanding the size of its production facilities in Smyrna, Tenn. **Honda Motor** Co. opened its second U.S. assembly plant last fall, and is gradually accelerating toward two-shift production there. In all, Japanese auto makers will be able to build about three million vehicles in the U.S. and Canada by 1995.

This rapid expansion isn't without risks, however. Many auto-industry officials, including some Japanese executives, believe that not all the transplants will prosper. One they cite as potentially vulnerable is the Indiana joint-venture plant owned by **Fuji Heavy Industries** and **Isuzu Motor** Co. Both companies have suffered from sluggish sales in the U.S. And because the factory builds a car for Fuji's Subaru subsidiary and a truck for Isuzu, its abilities to achieve economies of scale are limited.

AMERICAN JEWISH CONGRESS
DR. ROBERT GORDIS
15 EAST 84th STREET
150 WEST END AVENUE (APT. 24M)
NEW YORK, N.Y. 10023

B
Toshiba

Letters

Punishing Toshiba Is a Second

To the Editor:

House and Senate conferees on the omnibus trade bill have voted to punish Japan's Toshiba Machine Company for selling restricted equipment to the Soviet Union by forbidding it to make sales in the United States for three years. The conferees also voted substantial trade penalties against Toshiba Machine's parent, Toshiba Corporation. These are ill-advised measures that, if not removed by the "superconference," should weigh heavily in favor of Presidential veto.

As you point out ("Still a Bad Trade Bill," editorial, April 2), it is highly inappropriate for the United States to punish Japanese companies for actions in Japan that violate Japanese, but not American, law. It is especially inappropriate if those companies have been penalized by their own government. Many would consider such punishment unlawful, an unwarranted extension of national jurisdiction and a violation of the General Agreement on Tariffs and Trade. The proposed penalties also fly in the face of longstanding American policies.

For 40 years, the United States has restricted exports of goods and technology to the Soviet Union and other perceived adversaries on national security grounds. During all those years, it has tried to persuade other governments to maintain equally rigorous restrictions. Almost without exception, though, even at the height of the cold war, the United States has refrained from penalizing foreign companies for trading with controlled countries when no American goods or technology were involved.

Such penalties, like those proposed for Toshiba, are in essence secondary boycotts, refusals to deal with third parties who deal with the primary targets of our embargoes. Secondary boycotts are accorded only limited protection in the United States, and we strongly oppose them in international contexts. Congress has enacted a statute to block foreign secondary boycotts, aimed primarily at the boycott by Arab countries of American companies doing business in Israel. We regard the Arab secondary boycott as an unjustifiable disruption of international commerce and an illegitimate intrusion into our internal affairs. The Japanese undoubtedly see the proposed Toshiba sanctions in much the same way.

The United States should urge more vigorous enforcement of Japanese export control laws. Measures like the proposed Toshiba penalties, however, are counterproductive. Any benefit from those sanctions would surely be outweighed by Japanese resentment, the weakening of the



American position on the Arab boycott, the likelihood of legal action and the adverse reactions of other countries that see the United States assuming the role of global trade policeman.

KENNETH W. ABBOTT
Professor of Law, Northwestern U.
Chicago, April 4, 1988

MEMORANDUM FROM WILL MASLOW

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Toyota bows to pressure

JAPAN'S Toyota Car Company has dropped a planned joint venture with the U.S. Ford company after Arab countries threatened to blacklist it, the official Emirates News Agency said Friday.

It quoted a government spokesman as saying that Toyota had "retreated after it found out that it would lose the big Arab markets if it signed an agreement with Ford."

The UAE, Saudi Arabia and Bahrain had warned Toyota in June it would be boycotted if it entered into a business tie-up with Ford.

DEC 2 1981

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FROM: Will Maslow

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NYT 7/3/81

Ford Link To Toyota Is Stalled

By JUNNOSUKE OFUSA

Special to The New York Times

TOKYO, July 2 — The yearlong negotiations between the Ford Motor Company and the Toyota Motor Company, aimed at forming a joint venture to build cars in the United States, have come to a standstill, the Japanese concern announced today.

Eiji Toyoda, president of Toyota, Japan's largest car maker, said at a news conference that the two companies disagreed over the type of car to be produced.

Type of Vehicle Disputed

Ford, Mr. Toyoda said, had turned down Toyota's proposed vehicle on the ground that there would be problems selling it. Toyota had recommended a small van, known as a cab-over wagon, because the driver's compartment is mounted over, rather than behind, the engine.

[In Detroit, however, a spokesman for Ford said that the talks with Toyota were still on. While earlier negotiations centered on a cab-over van, the two sides had recently turned to discussing the production of small cars under some joint-production arrangement.

["We have a meeting scheduled in late July with Toyota," the Ford spokesman added. "We're still hopeful we can reach an agreement and that's the direction we're going in."]

Continued on Page D11

Continued From First Business Page

Under the projected joint venture, a Japanese-designed car was to be produced at one of three unused Ford plants in the United States, with marketing of the new product through the Ford dealer network.

No Toyota Alternatives

Mr. Toyoda said that, since Ford had rejected Toyota's proposal, "we have no alternative car to suggest," adding, "Nor are we inclined to make a new proposal."

He also said that the negotiations between Ford and Toyota would not go through "unless both parties find some merits" in the proposed partnership.

Despite his strong phrasing, Mr. Toyoda nevertheless said that he did not believe the negotiations had broken down entirely. Toyota, he said, would draw its conclusion after seeing what alternate proposal Ford may have to put forward.

The Japanese Ministry of International Trade and Industry, which has supported the Ford-Toyota venture, said that it did not necessarily think that the negotiations had broken down.

Analysts See Slim Hope

However, auto industry analysts said that prospects for a resumption of negotiations for the joint car production venture were slim. They pointed to two major factors for the pessimistic outlook.

One was that Saudi Arabia warned Japan last month that Arab countries would boycott Toyota automobiles if the Japanese car maker embarked upon a car-building venture with the Ford Motor Company. Ford is on the so-called Arab blacklist of nations that have trade relationships with Israel.

Arab countries provide the second-largest market after the United States for Toyota's automobiles. Of the 250,000 cars Toyota exported to Arab countries in 1980, representing 14.4 percent of Toyota's total car exports, Saudi Arabia purchased 128,000 vehicles, followed by Iraq with 60,000 units.

The other factor that Japanese analysts noted was that Toyota has lost interest in the joint venture with Ford because of the recent slump in the United States auto market.

Toyota leads all Japanese auto companies in car exports to the United States. It made the proposal for a joint car-manufacturing program with Ford in July last year as a way to relieve trade friction brought about by a surge in the share of the United States auto market held by Japanese-made cars.

Criticism within the United States against the heavy Japanese car exports has subsided as a result of recent steps taken by Japanese car makers to curb their shipments to the United States.

9/13 To - W Stern
From - W. Marlow

TOYOTA

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THT/KDH

18 August 1989

H C Schwab
Executive Secretary
British-Israel Chamber of Commerce
14/15 Rodmarton Street
London
W1H 3FW

Dear Mr Schwab

Thank you for your letter dated 17 August.

We cannot find the source of that press article and we know of no plans to export cars to Israel at the present time.

However, in view of your interest, I am passing your letter to the respective department of Toyota Motor Corporation in Japan and I am sure they will contact you if appropriate.

Yours sincerely

T H Taylor
Deputy Managing Director
Sales and Marketing

Toyota bows to pressure

JAPAN'S Toyota Car Company has dropped a planned joint venture with the U.S. Ford company after Arab countries threatened to blacklist it, the official Emirates News Agency said Friday.

It quoted a government spokesman as saying that Toyota had "retreated after it found out that it would lose the big Arab markets if it signed an agreement with Ford."

The UAE, Saudi Arabia and Bahrain had warned Toyota in June it would be boycotted if it entered into a business tie-up with Ford.

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Toyota

SOURCE F.T. TIMES 1981 TIMES

DATE 25 JUN 1981

Saudis threaten boycott of Toyota vehicles

BY RICHARD C. HANSON IN TOKYO

SAUDI ARABIA has warned Toyota Motor of Japan that it will call for an Arab boycott of the group's vehicles if it enters a joint venture with Ford of the U.S. Ford has car production facilities in Israel.

Toyota is holding discussions with Ford about jointly producing cars in the U.S. Saudi Arabia is Toyota's second largest national export market after the U.S.

Last year Saudi Arabia bought 50 per cent of Toyota's total exports with 128,310 vehicles going to the kingdom. Toyota shipped 256,000 cars to the Middle East last year.

The Saudi warning was given to Mr Rokusuke Tanaka, the Japanese Minister of International Trade and Industry, by Mr Suleiman Abdel Aziz Al-Salim, the Commerce Minister, during talks in Riyadh.

The warning should not be under-estimated, but it is up to Toyota to decide how to react, Mr Tanaka said in Tokyo yesterday, after his return from Saudi Arabia.

Toyota last year received a warning from Iraq about its talks with Ford, but no action was taken on that threat of a boycott.

Saudi Arabia still buys cars from Toyo Kogyo, the manufacturer of Mazdas, in which Ford has a large shareholding.

So far Toyota has declined comment on the Saudi warning. Its talks with Ford have been going on for a year and Toyota officials have indicated that a decision about the joint venture may be made in the summer.

But there have been signs the talks have not been going smoothly.

Reuter adds from Tokyo: Japan's International Trade and Industry Ministry said yesterday that it has notified seven car companies of their quotas for shipments to the U.S. this year.

Last month, Japan bowed to U.S. Government pressure and agreed to hold down shipments over the next three years from last April, with the first year limited to 1.68m.

Saudis warn Toyota of Arab ban

Tokyo, June 24.—Saudi Arabia has warned Japan's top car maker, Toyota, that Arab countries may stop importing Toyota vehicles if the company forms a joint venture with Ford which does business in Israel, a Toyota official said here today.

He said the warning came during a meeting yesterday in Riyadh between Mr Sulayman Abdal Al-Sulaym, the Saudi Commerce Minister, and Mr Rokusuke Tanaka, the Japanese International Trade and Industry Minister. Ministry officials declined immediate comment.

Japanese reports from the Saudi capital said that Mr Al-Sulaym told Mr Tanaka the Baghdad-based Arab Boycott Committee would recommend a boycott on purchases of Toyota products because the Japanese company was negotiating a joint-venture link with Ford, which produces cars in Israel.

The 22-nation Arab League in 1975 decided to boycott the products of any company that does business in Israel.

Toyota last year shipped 256,000 vehicles to the Middle East, including about 128,000 to Saudi Arabia, the second largest importer of Toyota cars after the United States.

The mass-circulation newspaper *Asahi* said the boycott threat was designed to deter completion of a deal between Toyota and Ford. The two companies have been negotiating for a year on a planned joint production venture for small-size cars in the United States.

□ **Quotas**: The Japanese International Trade and Industry Ministry said it had set company quotas for car shipments to the United States this year and notified seven manufacturers, including Toyota, Nissan and Honda. No details were given.

But the Japanese daily *Yomiuri Shimbun* estimated the quotas as: Toyota 518,000 (563,000 last year), Nissan 456,000 (500,000), Honda 347,000 (372,000), Toyo Kogyo 159,000 (174,000), Mitsubishi 114,000 (125,000), Fuji 70,000 (81,000) and Isuzu 17,000 (3,000).—AP-Dow Jones.

June 24, 1981
Journal of Commerce.

B
FORD

Arab World Held Open To US Ties

By LORI IOANNOU
Journal of Commerce Staff

Israel's bombing attack on an Iraqi nuclear reactor two weeks ago has not chilled U.S. political and/or economic relations with the Arab world, according to Arab and U.S. business and government officials interviewed Tuesday.

Instead, the U.S. business community is poised in a more competitive position to win contracts for projects in the Middle East.

The United States' condemnation of the Israeli raid at the United Nations Security Council meeting last week and the Reagan administration's decision to postpone delivery of four F-16 fighter planes to Israel, "are measures responsible for bringing U.S. and Arab interests closer together," Clovis Maksoud, permanent representative, League of Arab States, told U.S. and Arab businessmen at an American-Arab Association for Commerce and Industry Inc. luncheon at the St. Regis hotel.

"The U.S. actions have been welcomed by the Arab states. These actions have eased tensions in the Mideast and have destroyed the possibility of an oil embargo being imposed against the U.S. by Arab countries.

"Arab countries need U.S. products and U.S. businessmen need to invest in the growing economies of the Arab nations," Mr. Maksoud said.

Representatives from such multinationals as General Electric Co., Foster Wheeler Corp., Mobil Oil Corp., Exxon Corp., and Xerox Corp. who attended the meeting said they were conducting business as usual in the Middle East. Some said they were busy negotiating new trade and investment contracts.

Ford Motor Co., which sent an eight-member delegation to the American-Arab association meeting, said it is negotiating with Arab government officials in an effort to be removed from their blacklist because of its business operations in Israel. The company said it is optimistic its business ventures in the region will grow.

(However, Saudi Arabia has warned Toyota Motor Co. against its proposed affiliation with Ford Motor, Japanese officials said Tuesday. See story on page 1B.)

On the whole, executives of U.S. multinationals interviewed here said they were especially interested in investing in Iraq, despite the continuing war with Iran.

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Page 2A

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...PORTING countries ended their four-... consensus to begin negotiating a new Page 7A

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	205.4	204.1	203.0	205.4
	222.6	222.0	223.0	236.4
	299.9	300.9	302.3	283.3
...us	217.8	217.6	217.2	235.4
	246.8	246.8	247.5	231.7

conference that wage hikes will be greater than those obtained last year by the International Longshoremen's Association on the East and Gulf coasts.

The union there won about a 37 percent wage increase over three years, which will raise hourly pay from $10.40 to $14.00 during the life of contract will cost employers.

He said the new costs could be computed in many different ways and that different opinions exist among management now as to how much the pact will cost. He said that overall, the package "is probably a little bigger than the ILA's," adding that wages weren't everything to Mr.

...ratified, probably in ... ILWU will begin a cauc... present the details to ... caucus will make a rec... on the pact and each loc... it.

Mr. Herman said t... includes "substantial"

SEE ILW...

MAL
J. of Commerce
7/3/81

Ford Nixes Proposal By Toyota

By A.E. CULLISON
Journal of Commerce Staff

TOKYO — Extended negotiations between Ford Motor Co. and Toyota Motor Co., Japan's largest automobile manufacturer, over possible joint production of a mutually acceptable car appeared to be approaching a breakdown Thursday.

Eiji Toyoda, president of Toyota Motor, told newsmen that Ford had rejected his firm's proposal that the two auto companies manufacture cab-over wagons in the United States and that he had no intention of proposing an alternative.

"We have been told that Ford sees some problems with the cab-over type wagon we've suggested," the Toyota president explained, adding that the tie-up talks will not go through "unless both parties find some merits" in the partnership concept.

Mr. Toyoda then said that following Ford's rejection of the proposed cab-over wagon, "We have no alternative car to suggest. Nor are we inclined to make a new proposal."

Emphasizing, however, that Toyota did not believe that negotiations

SEE FORD, PAGE 3A

Task Force Claims 2-Man Cockpit Saf...

By ROBERT BURKHARDT
Journal of Commerce Staff

The report was a ... the pilots union, ... has been vigorous... protesting the del... the third crewma... twin-engined jetli...

WASHINGTON — Two pilots in McDonnell Douglas's new DC-9 Super 80 cockpit are as safe as three, a presidential task force studying the question has decided.

In fact, under some conditions, a third pilot in the cockpit can be a potentially unsafe "distraction," John L. McLucas, task force chairman said Thursday.

The task force report favoring the two-man crew was a blow to the Air Line Pilots Association, the pilots' union that has been vigorously protesting the deletion of the third crewman in the twin-engined jetliner. The task force was appointed to avert threatened ALPA strikes on the issue this spring, with ALPA calling for an independent third-party study.

Much to the dissatisfaction of the pilots union, the Federal Aviation Administration has been showing a trend of certifying new twin-engined aircraft for a two-man crew, saying that advanced cockpit technology, electronics and computer systems eliminate the need for the third man, the flight engineer.

At a press conference here, Dr. McLucas said his three-man task force had unanimously concluded that

operation of the new DC... transport by a crew of tw...

Adding a third membe... "Super 80" would "not b... the interest of safety."

Asked whether the ... recommendation might ... more controversy betwe... and the plane builders ... Dr. McLucas said "we w... ed to look into the air... labor-management, quest...

As urged by ALPA, t... did recommend that Fed... Administration procedur... mining the minimum c... safe to operate transp... "should be improved a... ened in several respects... tion for future aircra... tions."

The FAA has already

SEE PRESIDENTIA...

Business

the Bureau of Labor Statistics, said "the data appear to reflect a stability in unemployment and some weakness in employment," when seasonal adjustment problems are factored out.

Montana Severence Tax On Coal Upheld by Court

By a vote of 6-3, the Supreme Court ruled Thursday that there are no constitutional limits on the amount of severance taxes states may levy on minerals.

The court upheld the 30-percent-of-contract sales price tax Montana is levying on extraction of low sulfur coal, despite pleas by several Montana coal producers and 11 out-of-state customers that such a high tax burdens interstate commerce.

Ashes in the Stockpile

Malcolm Baldrige, the secretary of commerce, was right in saying last week that the U.S. strategic stockpile of metals and materials should be used only in the event of war and not used to cushion price swings in the commodity markets.

We, along with others, have been saying the same thing for many years, especially in the face of political proposals to turn the stockpile concept into a sort of public works project. These have come down the pike all too often for comfort. While some never got off the ground, others did, with the discomforting results to which Mr. Baldrige testified before a Senate committee on science, technology and space.

worse in La Paz, some U.S. diplomats began to figure that the new La Paz regime could be made to see the light if the tin could be sold here. Moreover, the incoming Eisenhower administration became aware that there was a large government-owned tin smelter in Texas, currently unemployed, because it had no tin to process. So what could be more natural than that the United States should buy the Bolivian tin ore, reactivate the Texas smelter and use its products to build up the strategic stockpile? After all, the tin miners of Bolivia would be back at work again, the La Paz regime would soften its stance and the redundant smelter would be producing and employing people again, all for the purpose of

More S... Seekin...

By JULIE SCHLEN...
Journal of Commerce

Despite the fact th... might lose every penny ... million in baseball strik... their enthusiasm for the ... not been rained out.

According to the pres... brokerage firm that plac... ness for the baseball ov... are other professional lea... for such protection, and ... there would be marke... business, although the ... might be higher.

Peter Leitch, presider... executive officer of Ree... Inc. in New York, called

that his committee would not drop the proposal from the bill unless a better plan was found.

Sen. Dole insisted that he was still on good terms with House and Means

He added that both houses were "moving in the right direction," and that their tax cuts would put pressure on Congress to reduce spending.

Ford Rejects Proposal Put Forth by Toyota

FORD, FROM 1A

with Ford had been ruptured by the rejection, Mr. Toyoda said it was now up to the American company to come forth again.

"We'll draw our conclusions after seeing what proposal Ford Motor (executives) may have to put forward," the Toyota president said.

Later in the day, a spokesman for Japan's Ministry of International Trade and Industry reminded that his organization had favored a link-up between Toyota and Ford and that there was no reason necessarily to believe that negotiations had collapsed.

The official said, "We hope that negotiations will be continued." But he admitted "there's no denying that the talks are gradually running toward a stalemate" on the issue.

Ford's rejection of the cab-over type wagon came as a surprise in Japanese automobile circles because early last month Toyota executives had announced reaching an agreement with the U.S. auto giant on the type of vehicle which they would jointly manufacture.

Toyota, in fact, had announced that the two auto firms were merely ironing out differences over whether to produce the cab-over wagon under a licensing arrangement or by means of a joint venture operation.

However, although it was difficult to develop a scenario which would fit the picture, there seemed to be some sort of connection between the latest troubles between Ford and Toyota and last week's warning from the governments of Saudi Arabia and Bahrain that if the Japanese maker teamed up with Ford, then Toyota's products would be blacklisted.

It was pointed out to Japan's minister of international trade and industry, Rokusuke Tanaka, for example, that Ford automobiles had been placed on a blacklist by the Arab League because of that company's alleged pro-Israeli position.

Along these same lines, only on Tuesday of this week Shoichiro Toyoda, newly appointed president of Toyota Motor Sales Co., the marking affiliate of Toyota Motor, informed the press that negotiations with Ford on a possible joint production venture would have to be handled with considerable caution in view of the stand of the two Arab states.

He said that although he did not believe that so far Toyota had ever violated the Arab League boycott against pro-Israel markets, it is now necessary to conduct talks with the Ford executives in a "very careful" manner.

The problem appeared even more difficult to Japan's trade and industry minister who suggested that certainly Toyota should not take too lightly the Saudi warning, but who noted that it also is important for the Japanese automaker to "pay due attention" to trade relations between Washington and Tokyo.

level since November 1979.

Gold, after trading at $408.50 an ounce during the day, closed at $414.50

WORLD MONEY FRONT

an ounce in Zurich and London, down from $422.50 and $425.50, respectively.

In New York gold closed at $413.50, down from Wednesday's $416.50. The New York Commodity Exchange settled gold at $412.10 down from $414.

Silver, however, recouped a bit, closing at $8.42 an ounce, up from $8.37 Wednesday, and it settled at $8.40, up from $8.33.

"Trading was a tug-of-war between buyers covering short-position and selling on the rallies," a New York dealer said, but the overall trend "obviously is for gold to go lower."

The dollar closed slightly higher in light trading ahead of the three-day U.S. holiday. Some U.S. banks will be open Friday, but foreign exchange and gold markets will be closed.

In London, renewed selling pushed the British pound down to a low of $1.8740 before it came back to close at $1.8840, down about two cents from Wednesday's $1.903. Sterling inched back to $1.8960 in New York.

A London bank dealer said trading was heavy with increased support for sterling by Bank of England.

"Commercial selling, firmer Eurodollar rates as well as U.S. interest differentials and the current oil glut kept the pound on a downward track," the bank dealer said.

Elsewhere the dollar posted small gains on top of the substantial increases of the past two days. It eased a bit in New York as traders evened out positions ahead of the holiday weekend.

The Swiss franc fell slightly in Europe from 2.0745 Wednesday to 2.0675 Thursday.

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"Our fundament
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Transacting Business in Osaka

By CHRISTOPHER LOFTING
Contributing Editor

Osaka is rich in history and, at the same time, very much a new city. There is little of what Westerners think of as traditional Japan visible here.

When the tide turned against Japan in the closing days of World War II, Osaka's position as the nation's industrial and commercial center proved a curse. History lingers on in Hiroshima and Nagasaki, almost ignoring the devastating effect of round-the-clock conventional bombing raids on Japan's industrial centers such as Osaka.

The physical scars are gone, but the clue to the past lies in the sprawl of new urban development, in the shiny new postwar hotels, office buildings and apartment

EXECUTIVE TRAVELER

complexes. The war is ancient history to the young, and only the elders remember the old Osaka and the fire storms that consumed most of it.

The new Osaka has more than regained its promin

excellent service and efficiency. Nervous flyers might also be comforted to know that JAL made news when it received an award for the fewest number of in-flight engine shutdowns for a major airline.

The Osaka airport is conveniently located close to the center of town. In fact, this older airport was once in the suburbs but has been engulfed by the rapid growth of industrial Osaka. The terminal itself is quite old, by Japanese standards, but contains all the necessary amenities for international travelers.

There is an information booth straight ahead as you clear customs. It is manned by courteous English-speaking hostesses who will help you with hotel reservations, paging your contact, transportation arrangements and general information. The bus and taxi stand is immediately outside the terminal, and there is also a bank to exchange your money into Japanese yen, currently about 210 to the U.S. dollar.

The transfer into town will cost about $12 by taxi, plus a toll of $3 if your driver takes the expressway. Tipping is not expected by cab drivers or any service personnel in Japan except when special service is required.

Court

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Ford, Toyota Officials to Resume Talks On Venture in U.S. as Pessimism Grows

By Charles W. Stevens
Staff Reporter of The Wall Street Journal

DEARBORN, Mich.—Ford Motor Co. and Toyota Motor Co. officials will meet on the West Coast today to resume discussions on a joint U.S. venture. But suspicions are mounting that their efforts may be for naught.

At Ford, optimism has recently been replaced by "no comment." At Toyota, a spokesman said the talks are "suspended in the air." The two auto giants have yet to agree on what type of vehicle to build, and the benefits from any joint venture are declining as time wears on.

"After a year of negotiations with nothing to show for it, I doubt if there ever will be an agreement," says David Healy, an auto industry analyst for Drexel Burnham Lambert Inc. "It doesn't seem to be at the top of either companies' agenda to settle this," he says.

Prototype Linkup

The proposal generaged widespread interest. It looked like a linkup beetween two of the world's largest auto makers—No. 2 Ford and No. 3 Toyota—in an arrangement some believed would be the prototype for future auto industry world-wide links.

Such a joint effort offered advantages to both companies. Ford, showing losses and lagging in new product development, hoped to short cut the timetable for a new fuel-efficient vehicle. Ford also would share the cost. Toyota, meanwhile, was under political protectionist pressure to build in the U.S. It also faced competitive pressure from two home rivals, Nissan Motor Co. and Honda Motor Co., which have already committed to building vehicles in the U.S. with hopes of expanding their bases here. By making vehicles here, it's argued, foreign companies may be better able to respond to and capitalize on swings and growth in the U.S. market— the world's biggest and most lucrative.

The goal Ford and Toyota most recently set is joint production of about 300,000 units a year in a current Ford plant that would be converted to a Toyota-designed vehicle. That might be expanded to other plants later. Cost sharing wasn't spelled out, but each company would sell the cars under their own names through their respective dealer networks.

Since the talks began in June 1980, study teams and the presidents of both companies have been shuffling between Dearborn and Tokyo, while the timetable keeps getting moved back. Originally, the parties sought an agreement by the end of 1980. Then the date was pushed back to March 1981, and later to June.

The companies are still trying to agree on a vehicle to build. Toyota's first suggestion for a 1983-model small car clashed with a product Ford already has in the works for then. Last winter it seemed the companies were settling on a mini-van, a product neither company offers in the U.S. But recently, Ford rejected a Toyota van idea, presumably due to another conflict with Ford's product planning.

Adding to the uncertainty about the plan is a new tight-lipped policy from Ford's executive suite. In February, Ford's president, Donald E. Petersen, predicted that a decision on the vehicle type was very near, and that an agreement on the venture would come by June. Asked this week about the progress of negotiations, Mr. Petersen declined to comment.

The most widely held view among observers is that Toyota lost interest in the joint-production proposal with the imposition of Japanese car import restrictions in May. It was then that Toyota seemed to back away from the proposal. This view is based on the suspicion that Toyota initiated and used the talks to try to head off the restrictions. "I think Ford thinks it has been had on the Toyota talks," Douglas A. Fraser, United Auto Workers union president, said in May. Ford sources acknowledge that some company insiders adhere to this theory. Mr. Petersen, however, recently said he believed Toyota's interest was sincere.

Considerable Fears

As time ticks away, the venture also loses value to Ford. After an agreement is reached between the companies, it would be between 20 and 30 months before the first jointly built car rolls off the line. Last year, Ford thought an agreement then would fill a gap in its 1983-model-year product lineup. Currently, the company must think of the joint venture in terms of 1984. By then, Ford will be gaining in its own ability to fill product gaps. "You have to ask yourself, 'What does Ford really need Toyota for?'" says Phil Fricke, analyst for Goldman, Sachs & Co. "Ford is well positioned for the mid-1980s," he says.

Independent of what can be agreed on with Ford, Toyota faces considerable risks in any joint venture with the U.S. auto concern. In June, Saudi Arabia and Kuwait said they would ban Toyota sales in their countries if Toyota teams with Ford because Ford is on the Arab boycott list for doing business with Israel. Toyota sells about 130,000 cars a year in Saudi Arabia, its largest foreign customer after the U.S., and 15,000 cars a year in Kuwait.

Asked if the Arab threat has changed Toyota's attitude toward a Ford partnership, the Toyota spokesman said, "At this stage, there isn't any impact (of the threat).... We aren't doing anything that causes trouble with Arabs, we judge." But a U.S. auto analyst who recently visited Toyota said company officials confided that "they were frightened by the Arab boycott."

The analyst said Toyota officials also have another worry about joint production with Ford: whether Ford can "really build Toyota quality is a real concern to them."

1/3

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AMERICAN JEWISH CONGRESS

November 17, 1987

MEMORANDUM TO: WILL MASLOW
FROM: SYLVIA HORWITZ
RE: ARAB BOYCOTT

In response to your letter of Nobember 10, 1987, to David Clayman, I have begun tracking down the Yediot Aharonot article that you requested. However I need more information.

The date given, October 24, was a Shabbat, and no newspapers are published on Shabbat. The nearest article time-wise that I have found was on October 20, 1987, published in Ma'ariv. The article concerns Japanese compliance with the boycott and mentioned one instance of Israeli circumvention of Toshiba's compliance. This article was actually a report on a New York Times piece by William M. Stern which appeared on October 13, 1987. The Ma'ariv article is enclosed along with a translation.

Please let me know if this is the article you meant. If not, please check the date and confirm that the article you want was published in Yediot Aharonot.

Encl.

(This is about the William Stern piece)

file

MA'ARIV
Oct 20/87

NYTimes: In 1986, Israel's Communications Ministry Overcame Toshiba's Boycott of Israel

מעריב
יום ג', 20.10.87
כ"ז בתשרי תשמ"ח
4

To Will Maslow
2/3

השר שרון התלונן על השחיקה ברווחיות היצוא אך הביע התנגדות לכל נסיון לתקן זאת באמצעות פיחות

מאת עודד שורר, וושינגטון

ביקורת חריפה על התעשיינים בישראל, שקולם אינו נשמע בוויכוח על השחיקה ברווחיות היצוא, חשמיע אתמול שר התעשיה והמסחר, אריאל שרון, בשיחה עם כתבים כלכליים ישראליים בוושינגטון.

השר שרון, השוהה בוושינגטון לרגל השיחות של הוועדה המעורבת בנושא אזור הסחר החופשי, התלונן על השחיקה ברווחיות היצוא, אך הביע התנגדות לכל נסיון לתקן זאת באמצעות פיחות.

"נתונים לתשעה חודשים ראשונים של השנה מצביעים על גידול ביצוא, לעומת התקופה המקבילה, של 18.8 אחוז. היצוא התעשייתי, ללא יהלומים, גדל ב־14.8 אחוז. "אני צופה המשך המגמה בחודשים הבאים, אך השחיקה ברווחיות היצוא מד־אינה. ברבעון האחרון הגיעה רווחיות הי־צוא לארה"ב לשיעור של 2 אחוזים בלבד ומדובר במפעלים שמעסיקים אלפי עוב־דים. היעדר הרווחיות יכה בהם בחומרה.

לצערי התעשיינים לא מתבטאים בנו־שא זה וכאילו מנסים להתעלם מכך. אני מאוד מתפלא שקולם לא נשמע בנושא זה. הגורם שמח לי מתעשיינים הנו חברותם

את דעתם לגבי השחיקה המתמשכת ברווי־חיות היצוא ולא נגררים אחר הזרם" – אמר השר שרון.

עוד אמר שרון כי על־פי הערכות משרדו תגרום תוספת היוקר שתשולם בקרוב לש־חיקה נוספת ברווחיות חיצוא, מ־9 ל־7.5 אחוזים.

השר שרון ממשיך היום בשיחותיו עם נציגי המימשל האמריקני, כדי לתקן מספר סעיפים בחסכם אזור הסחר ההופשי ולצמ־צם הגבלות על היצוא הישראלי לארה"ב, הנאמד היום ב־0.9 אחוזים מסך חיבוא לא־רה"ב.

ניו יורק טיימס: ב־1986 נכנע משרד התקשורת הישראלי לחרם שהטילה חברת טושיבה היפנית על ישראל

המשרד קנה ציוד מיון מתוצרת טושיבה באמצעות צד שלישי בארה"ב

מאת רן דגוני, סופר "מעריב" בניו־יורק

מה עשה משרד התקשורת הישראלי כשחברת הענק היפנית טושיבה סירבה למכור לו ציוד למיון דואר, בגלל כניעתה לחרם חערבי על ישראל? אין בעיה. ב־1986 וכנע משרד התקשורת לחרם החברה וקנה את ציוד המיון מתוצרת טושיבה באי־מצעות צד שלישי בארה"ב.

גילוי זה כלול במאמר על כניעת יפן לח־רם הערבי שהתפרסם בימים אלה בניו יורק טיימס.

בעל המאמר, ויליאם סטרן, מציין כי חברת טושיבה שלחה צבא שתדלנים לוו־שינגטון, בניסיון למנוע קבלת סעיף חוק שיאסור למכור את מוצרי החברת בארה"ב, לאחר שהתגלה שחברת בת של טושיבה מכרה ציוד סודי לבריה"מ.

טושיבה אומרת כי חקיקה כזו תפגע בעקרונות הסחר החופשי, אך בה בעת היא עצמה פוגעת בעקרונות הסחר החופשי, בסרבה לסחור עם ישראל – אומר בעל המאמר.

ניו יורק טיימס אומר כי טושיבה אפילו הזהירה את מפיצי מוצריה ברחבי תבל שויכיונות ההפצה שלהם יבוטלו, אם יתג־לה שהם שולחים מוצרים לישראל.

חברות יפניות אחרות שמפלות בגלוי את ישראל הן ניסאן, טויוטה, מאזדה, מיט־סואי, מוצ'ידה, ניפון (פלדה), היטאצ'י וסו־מיטומו.

העיתון מציין כי רשמית טוענת ממשלת יפן שאין לה שום השפעה על מדיניות הסחר של הסקטור הפרטי, אך בפועל בלתי רשמי מעודדת הממשלה חב־רות יפניות לא לסחור עם ישראל.

לא זו בלבד שספקים יפניים מסרבים למלא הזמנות של אנשי עסקי ישראלים, אלא שאניות הרשומות ביפן אינן מטילות עוגן בנמלי ישראל ובנקים יפניים מסרבים למתן עסקות בין יפן לישראל – אומר העיתון.

בעל המאמר קורא לקונגרס לנצל את שעת הכושר שבה מונח חוק שיש לו נגיעה ישירה ביפן על שולחנות בתיהמחוקקים ולבחון את עמדתה הרשמית של יפן.

בערך ניסוי שבמסגרתו התחברו 35 רואי חשבון למחשב האוצר ומשכו

to Will Maslow
3/3

MA'ARIV, OCT. 20, 1987

NEW YORK TIMES: IN 1986 ISRAEL'S COMMUNICATION MINISTRY OVERCAME TOSHIBA'S BOYCOTT OF ISRAEL

Ministry Bought Toshiba's Mail-Sorting Equipment Through a Third Party in the United States

What does the Ministry of Communication do when Toshiba, a major Japanese firm, refuses to sell to it new mail-sorting equipment because of compliance with the Arab boycott? No problem. In 1986, the Ministry overcame the boycott and bought the mail-sorting machines through third parties in the United States.

This revelation was made in an article on Japan's cooperation with the Arab boycott that was published in the New York Times.

The writer, William Stern, notes that Toshiba sent to Washington an army of lobbyists to prevent a law that would forbid the sale of its products in the United States after a subsidiary of Toshiba sold secret equipment to the Soviet Union.

Toshiba claims that such a law would hurt the principles of free trade, but Toshiba itself hurts those principles when it refuses to trade with Israel, says the writer.

The New York Times says that Toshiba even warned its distributors that they will loose their rights if they were found sending products to Israel.

Other Japanese companies that discriminate against Israel are Nissan, Toyota, Mazda, Mitsui, Mochida, Nippon (Steel), Hitachi, and Sumitumo.

The newspaper states that officially the Japanese government claims that it has no influence over the private sector, but unofficially the government encourages the companies not to trade with Israel.

It is not only the Japanse distributors who refuse to fill the orders of Israeli businessmen, but also Japanese ships do not come to Israeli ports and Japanese banks refuse to fund trade between Israel and Japan, the paper says.

The writer calls on Congress to use the opportunity of this law which affects Japan directly, to test Japan's official position (on free trade).

AMERICAN JEWISH CONGRESS

STEPHEN WISE CONGRESS HOUSE • 15 EAST 84TH STREET • NEW YORK, N.Y. 10028

September 22, 1987

Editorial Director
San Francisco Examiner
110 Fifth
San Francisco, California 94103

Dear Sir or Madam:

I enclose an editorial which appeared in the Examiner on July 20. We would like to verify the reference to Toshiba in your editorial. If you could send us a copy of the memo that Toshiba allegedly distributed, we would be grateful. As you may know, the American Jewish Congress pubishes a newsletter on the Arab boycott (copy enclosed); we would like to refer to your editorial in our next issue.

Sincerely yours,

Will Maslow
General Counsel and
Editor, Boycott Report

WM:rb
Enclosure

bcc: Gary Penn

Toshiba

MEMORANDUM

American Jewish Congress
121 Steuart Street, Suite 402
San Francisco, CA 94105

(415) 974-1287

Date: September 17, 1987

To: Will Maslow

From: Gary Penn

Re: San Francisco Examiner Toshiba article

Back issues of the Examiner, including July 20 and several dates in both directions, have yielded only this editorial. It does mention the Arab boycott memo, but does not cite a news source.

The San Francisco Anti-Defamation League has no record of any local news article dealing with the Toshiba memo, nor have they issued any press release on that subject. They suggested contacting their Arab boycott expert in Washington D.C., one Jess Hordes. I tried today, but to no avail. Perhaps you would like to call yourself, as you are clearer on the questions you want answered. The telephone number there is (202) 857-6660.

I hope this helps.

B

Toyota

December 17, 1981

Mr. Richard Seppa=
Acting Director
Office of Anti Boycott Compliance
Department of Commerce
14th Street Btween Constitution Ave. and E. St. N.W.
Washington, D.C. 20230

Dear Mr. Seppa,

I encloseda clipping about Rockwell International Corporation. I seem to have mislaid the public material you sent out about this case and would appreciate it if you could send me a duplicate set.

I unddrstand also that you have been or are looking into the Ford/Toyota boycott threat. I encloseda clipping whichhmay be of interest.

Sincerely,

Will Maslow

WM/mcm
Enclosures

better than they think they

best-seller *Naught for Your Comfort*, which aroused Tory

the Anglican hierarchy.

Instead in 1978 he was ap-

politicians repeat their condemnations of apartheid without any real alternative

as a lonely bridge between their aspirations and the world of the West.

Uno's Israel Visit Clouded by Anti-Semitic Books

By Eric Talmadge

Next week Foreign Minister Sosuke Uno will become the first Japanese Cabinet member ever to officially visit Israel, but as Japan-Israel relations continue to improve so do sales in Japan of anti-Semitic literature.

"According to one publisher we spoke to, one percent of all books sold in Japan deal with the theme of the Jewish conspiracy in the world economy," said Rabbi Abraham Cooper, associate dean of the Simon Wiesenthal Center, the second-largest Jewish organization in the United States. "That's an appalling figure."

Though Cooper said Uno's visit to Israel is significant as part of Japan's efforts to upgrade its role in the international community, he added, "Isn't it a shame that while in Jerusalem the foreign minister may be asked about why his government maintains silence on the popularity of these anti-Semitic books?"

Uno is scheduled to leave Japan June 22 for a tour of the Middle East that will take him to Israel, Syria, Egypt and Jordon. His visit will be the first ever by a Cabinet-level official since Japan opened diplomatic ties with Israel in 1952, according to the Foreign Ministry.

Books blaming everything from the Chernobyl nuclear accident to the rapid appreciation of the Japanese yen on the "Jewish conspiracy" brought Cooper and Alfred Balitzer, professor of political science at California's Claremont McKenna College, to Japan last week.

Over 80,000 copies of "Understand the Jews and the Epoch Comes Into View," by Masami Uno, the most popular writer in the genre, have been printed since the book was released less than one month ago, said a spokesman for the Nihon Bungei publishing house. All told, sales of Uno's three main books go into the hundreds of thousands of copies.

Foreign Minister Uno is not related to the author.

Titles of books by other writers include, "How to Make Money With Stocks the Jews Aim At" and "The Jewish Plan for Conquest of the World."

"There is 100 times as much printed in the United States, but none sell like this. Here they sell like hot cakes and no one speaks out against them," Balitzer said.

He said, "The people of Israel are not Japan watchers, but they read the papers and they see articles about these books."

Cooper added, "This may be a bum rap for Uno when he goes to Israel, but if Japanese leaders decide to avoid answering this issue, their silence will be taken by Arabs as a deep reservoir of anti-Jewish feelings."

In 1987, then Foreign Minister Tadashi Kuranari denounced anti-Semitic writings in the Diet, but his denouncement was largely ignored by the Japanese media.

"It was for foreign consumption," Cooper said.

An Israeli official in Tokyo said he doubted whether the issue will be raised during Uno's visit, but admitted the Israeli government has on several occasions expressed informal concern about "growing sales of the books in the last eight to 10 months." The Israeli government continues to keep a close watch, he said.

"The matter doesn't directly effect us," he said, refusing to be further identified. "The real target of the books is American Jews. In Israel it is just seen as strange that Japanese would write these things."

Cooper and Balitzer believe the books represent more than anything else ignorance and curiosity about the Jews, who number 400 households in Japan. Only six of those families reside here permanently.

"It's anti-Semitism without anti-Semites. We see no problem of violence directed against the Jewish community here," Cooper explained.

"Most Japanese don't really know what a Jew is."

Balitzer added, "When the authors say the Jews control the world, they seem to be admiring this. Their attitude is, 'How can we do that?' "

"I think there obviously is some sentiment in the Foreign Ministry that relations with Israel are a liability," Cooper said, adding the government here has remained quiet to avoid conflict with Arab nations, which supply Japan with much of its oil.

A Foreign Ministry official who requested anonymity said he did not know whether the issue would be discussed. "Publication of such books is legal and can't be stopped, but it is unwanted by us."

When asked why it has taken 36 years for Japan to send a Cabinet minister to Israel, the official said, "There are many nations yet to be officially visited. There is no special reason."

The Israeli official disagreed. "After the (1974) oil shock the Japanese felt they were in a very vulnerable position," he said. "But since 1985 substantial developments in relations have taken place and two-way trade volume between our countries was up 84 percent in the first three months of this year."

Israel maintains a trade surplus with Japan, and the Israeli government estimates trade between the two countries this year will total $1.2 billion.

The Israeli official said large trading firms were still afraid of an Arab boycott if they were to sell products in Israel, but "smaller- and medium-sized firms that don't trade with Arab countries" were showing growth.

Cooper said he believes Uno's visit, though "a long time in coming," does have a symbolic significance.

"I don't expect any major developments, but every visit helps moderate Arabs push radical Arabs to accept the reality that Israel is here to stay. In that sense the visit is a major step forward, and its significance will not be lost on the Israeli people," he said.

—AP

Vox Populi, Vox Dei

Japanese Politics: 'For the Time Being'

One of the most unique features of the Japanese political world is the skill with which politicians create a "toriaezu" (for the time being) situation.

Ideally, government officials would be able to call a tank a tank but, because of the principle that the Self-Defense Forces should not acquire war-making potential, for the time being, the government calls a tank a "tokusha" (special vehicle). The process through which the term will, at the right moment, be changed from "tokusha" to tank is seen as the process which will meet with the least resistance.

The claim that "the SDF is not an army" is a product of the "toriaezu" method. While claiming that, for the time being, "We are not an army and will not have war potential," the SDF has become one of the most powerful armies in the world. This rhetorical method works with great effectiveness in Japan.

The government's claim that the size of the new large-scale indirect tax will be 3 percent is probably the ultimate in the "toriaezu" method. With regard to this 3 percent figure, Chairman Sadanori Yamanaka of the ruling Liberal-Democratic Party's Tax System Council said, "It is not absolutely unchangeable in the future, and we cannot take the suicidal, unprincipled step of writing brakes into the tax law." He can be praised for his honesty, but his statements make it clear that the 3 percent figure is nothing more than a temporary thing.

At a symposium on tax reform, Takashi Tachibana said, "The LDP is talking about the tax rate of the large-scale indirect tax being 3 percent or 5 percent, but there is no mistaking the fact that the tax rate will be hiked once it is introduced. Don't be fooled!" I completely agree with Tachibana.

The LDP Tax System Council members seem to have said to themselves, "Let's make it a 'botamochi' (rice dumpling covered with bean paste) which will be readily consumed by the public." For the time being, the LDP probably intends to hook the people on sweet dumplings; eventually, the dumplings will take on a more bitter taste.

In his novel, "Seinen" (Young Man), Ogai Mori (1862-1922) wrote that "When Japanese enter primary school, they try to run through with all their might. They believe there is life after they finish primary school. When they start working, they work with all their might, thinking that there is life after work. However, there is no life at the end." Does Mori's theory about focussing on the future as a way to overcome present dissatisfactions correspond with the "toriaezu" method of governance?

There is another philosophy which says that one should, for the time being, "reject the dumplings which can be eaten now." (June 16)

C/ Japan
Anti-Semitism

B / Toshiba

AMERICAN JEWISH CONGRESS

STEPHEN WISE CONGRESS HOUSE • 15 EAST 84TH STREET • NEW YORK, N. Y. 10028 • (212) 879-4500

April 20, 1988

Professor Kenneth W. Abbott
Northwestern University Law School
357 East Chicago Avenue
Chicago, Illinois 60611

My dear Professor Abbott:

We were delighted to see your reference to the Arab Boycott of Israel in your recent letter to The New York Times. But Toshiba does not come into court with clean hands. It is one of the major Japanese companies that itself boycotts Israel. Indeed, Japan has a sorrier record than any other developed country in participating in Arab boycotts.

I enclose a recent issue of Boycott Report and call your attention to the little article on Japan on page 3.

Sincerely,

Will Maslow

Will Maslow
General Counsel

WM:rb

enclosure

B Toshiba

NORTHWESTERN UNIVERSITY
SCHOOL OF LAW

357 EAST CHICAGO AVENUE
CHICAGO, ILLINOIS 60611

April 27, 1988

Will Maslow, Esq.
General Counsel
American Jewish Congress
15 East 84th Street
New York, N.Y. 10028

Dear Mr. Maslow:

Thanks very much for your letter and the information on Japanese participation in the Arab boycott. Your point that Toshiba and other Japanese firms do not come into court with clean hands on the secondary boycott issue is well taken. I think, though, that the United States can more persuasively urge the Japanese to cease their cooperation with the secondary aspects of the Arab boycott if its own hands remain clean, and I certainly hope that our government does take this position with them.

Best regards.

Sincerely,

Ken Abbott

Kenneth W. Abbott
Professor of Law

AMERICAN JEWISH CONGRESS

B/
Toshiba

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TO: Walter Stern

FROM: Will Mason

DATE: 9/25/89

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September 18, 1989

Mr. Will Maslow
American Jewish Congress
Fax No. 001-212-249-3672

Re: Your letter of August 23, 1989

Dear Mr. Maslow:

Your a.m. letter to Mr. E. Davrath was brought to my attention.

Unfortunately, I did not find any indications in my files to support what Mr. Davrath told you last January with regard to Toshiba. Toshiba is still boycotting Israel.

Sincerely,

M. Kobi

M. Kobi

M-KOBI-L-SEP1889.DOC

★★★ TRANSMISSION RESULT REPORT (SEP. 25 '89 14:19) ★★★

AMERICAN JEWISH CONGRESS NYC

TIME STORED: 14:18

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B

Toyota

August 10, 1989

Harry Schwab
British-Israel AEC Committee
14/15 Rodmarton St.
London W1H 3FW
England

Dear Harry:

I presume you saw the piece in the Financial Times (copy enclosed). You may want to follow up with British Toyota. Do let me know how you make out.

Best regards.

Will Maslow

WM:rb

enclosure

File

AMERICAN JEWISH CONGRESS



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Associate Executive Directors

WILL MASLOW
General Counsel

September 19, 1989

William Josephson, Esq.
Fried Frank Harris Shriver & Jacobson
1 New York Plaza
25th Floor
New York, N.Y. 10004

Dear Mr. Josephson:

I enclose a current issue of Boycott Report which, you will note, is now in its thirteenth year. I also enclose two articles which will appear in the November-December issue.

I look forward to meeting you and your clients on October 12.

Sincerely,

Will Maslow
General Counsel

WM:rb

enclosure

מדינת ישראל
STATE OF ISRAEL

Ministry of Finance
Deputy Director General, International Affairs
Jerusalem

משרד האוצר
סמנכ"ל לקשרים בינלאומיים
ירושלים

January 25, 1989

B
Toshiba

Mr. Walter Stern
Capital Research
280 Park Avenue West Bldg.
New York, New York 10017
U.S.A.

Dear Wally

You might be interested to know that recently an Israeli official met in Japan with the President of Toshiba.

The Israeli official requested this meeting as part of our ongoing efforts to deal directly with Toshiba. The meeting coincided with the current difficulties Toshiba is experiencing in its largest market, the U.S.A.

The problems of the absence of direct ties between Israel and the company, and incidents in which Toshiba rejected doing business with them upon learning of their Israeli identity were discussed. Another point of discussion was the interest for Toshiba in utilizing Israel's capability for the development of new and sophisticated electronics was discussed.

The president expressed interest in developing Toshiba's ties with Israel and his company's adherence to the principle of free trade. He explained that Toshiba's activities, including the establishment of branch offices in foreign countries, are based on economic grounds. Along the same line, the president explained that Toshiba's products exported to Israel originated in Singapore, rather than in Japan, due to the availability of cheap labor.

The mere fact that such a high level meeting took place seems to be a change of attitude by a major Japanese corporation, which hesitated in the past to discuss Israeli matters at such a level. This information is strictly confidential as we do not want to harm the ongoing negotiations.

Another matter that would be of interest to you is the Ports Authority's dealings with Japanese corporations. As you can learn from the attached letters, the Ports Authority requested proposals from four Japanese crane producers. The results included two negative replies (Hitachi and Mitsubishi) and no response from either Sumitomo Heavy Ind. or from Ishikawajima Heavy Ind. Moreover, a letter regarding this attitude of the Japanese corporations addressed to the Japanese Ambassador in Israel received no reply. Meanwhile, the Ports Authority settled this matter by turning to another supplier.

We think this information may be useful in our treatment of the Japanese issue.

Sincerely,

Ephraim Davrath

מדינת ישראל
STATE OF ISRAEL

Ministry of Finance
Deputy Director General, International Affairs
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We think this information may be useful in our treatment of the Japanese issue.

Sincerely,

Ephraim Davrath

★★★ TRANSMISSION RESULT REPORT (JUL. 14 '89 14:59) ★★★

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T. Shiha

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TO: Walter Stern

FROM: Will Maslow

DATE: 7/14/89

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July 14, 1989

[----------]
Not for Publication
[----------]

Nobuo Ishizaka
President, Toshiba America Inc.
375 Park Avenue
Suite 1705
New York, N.Y. 10152

Dear Mr. President:

The American Jewish Congress has recently installed a new telephone system in our national headquarters using Toshiba handset telephones. We did so because we learned that a delegation from Toshiba visited Israel recently to examine the possibilities of trade and investment in Israel. We hope that Toshiba will move fast and follow the example of Mitsubishi which is aggressively pushing the sales of its cars in Israel.

Enclosed is the January 1989 issue of our newsletter which, on page 5, contains a little article on the Japanese boycott of Israel.

If you would like to discuss this issue face to face, I shall be glad to call on you at a mutually convenient time.

Sincerely,

Will Maslow
General Counsel and
Editor, Boycott Report

WM:rb

enclosure
cc: Walter Stern, Int'l Steering Comm.
on Freedom of Trade with Israel

File
B
Toshiba

July 14, 1989

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Not for Publication
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375 Park Avenue
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Sincerely,

Will Maslow
General Counsel and
Editor, Boycott Report

WM:rb

enclosure
cc: Walter Stern, Int'l Steering Comm.
on Freedom of Trade with Israel

bcc: Baum, M. Silverstein

FYI — willy ©

B/Toshiba

THE

Toshiba worried about its pro-Arab image

U.S. trade bill fears lead firm to seek Jewish support

By Willy Stern

SPECIAL TO THE JAPAN ECONOMIC JOURNAL

The decision by major Japanese electronics manufacturer Toshiba Corp. to close its Kuwait office effective last October was made in large part because of the firm's "increased sensitivity" to the American Jewish community, according to a high-level Toshiba consultant.

The history behind the decision demonstrates how one Japanese company begrudgingly acknowledged it can no longer blindly follow the dictates of the Arab boycott of Israel with impunity.

(The Arab boycott states that any company that does business with Israel cannot also trade with an Arab company. The U.S. and most European countries have passed laws making it illegal to comply with the boycott, but this is not so in Japan.)

Toshiba Corp. has been looking for goodwill in Washington D.C. because the present U.S. trade bill — which President Reagan has vetoed — contains measures that would punish Toshiba for the actions of its subsidiary, Toshiba Machine Co., which last year was caught illegally selling to the Soviet Union machines that are used to make submarine propeller parts. The Japanese government has also been seeking to improve relations with Israel, culminating with a visit by Foreign Minister Sosuke Uno to Israel in late June.

Toshiba Corp.'s history of compliance with the boycott has been well publicized in the U.S. Toshiba has been worried that Capitol Hill's "Japan-bashers" might join hands with the pro-Israel lobby, reports Professor Yoshihiro Tsurumi, a Japanese political commentator now living in New York, who acts as an unpaid consultant to the Japanese government and many Japanese firms including Toshiba. Tsurumi told The Japan Economic Journal that political considerations in the U.S. were the "overriding factor" in Toshiba's decision to close the Kuwait office.

A Toshiba spokesman in Tokyo, however, claimed that because of the firm's dropping volume of business in Kuwait, an office there was no longer warranted. In truth, sources at Toshiba say that the fall in oil revenues has been responsible for a 50% drop in Toshiba's 1987 sales volume in Kuwait from 1986.

Toshiba's denial is a revealing manifestation of the dilemma Japanese companies are just starting to face in the Middle East. If Toshiba is perceived to be shunning the Arab market in response to pressure from the American Jewish community, the firm believes its massive trade with the Arab world could be jeopardized. But Toshiba also knows that its pro-Arab policy in the Middle East now may have wider implications.

(In 1986, Toshiba flatly refused to sell mail sorting machines to the Israeli Ministry of Communications, although Israel eventually bought the same machines through a third party in the U.S. Toshiba even warned its worldwide distributors that their franchises would be cancelled if they were found shipping products to Israel.)

The leverage that the American Jewish community has over Toshiba is considerably larger than that with the other large Japanese companies, because of the punitive measures versus Toshiba in the trade bill. Except for Mitsubishi Motors, which last autumn agreed to begin selling cars in Israel, most other large Japanese firms continue to adhere to the Arab boycott.

Toshiba officials have one eye on the Arab market when they explain: "We have in no way ceased to do business in Kuwait and Kuwait will now be serviced through our Dubai office." But with the other eye on the pro-Israel lobby in the U.S., Toshiba's top-level management was "only too happy to close the Kuwait office at this time," according to Tsurumi.

Toshiba's two-faced policy has only led to confusion in the U.S. The company has retained a prestigious New York law firm, Mudge, Rose, Guthrie, Alexander & Feldon, to coordinate its lobbying effort in the U.S., but the law firm was unaware that the Kuwait office had been closed until contacted by The Japan Economic Journal.

Against this background comes the announcement that Foreign Minister Uno will visit Israel in late June. This visit is being interpreted by Middle East analysts as a sign of Japan's political maturity, and not necessarily as a sign of friendliness toward Israel.

On a postive note for Israel-Japanese trade relations, Uno's 24-hour visit — the first ever by a Japanese minister to Israel — breaks a major psychological barrier. But little else is expected from the visit in terms of improving relations between the two countries.

The decision to include Israel on Uno's six-day trip was taken specifically so that Japan would be seen as touching base with all interested parties in the Middle East peace process. Uno's decison to visit Israel came at Japan's initiative, so that Japan could become a "player" in the peace process.

Uno will also visit Syria, Jordan and Egypt between June 22-27. Although Israeli officials are publicly hoping that Uno will make a constructive contribution to peace in the region, they remain worried that Uno might use the visit as an excuse to grandstand for the Palestinian cause. Efforts are already underway to set up a meeting between Uno and P.L.O. leader Yasser Arafat.

Israeli Ambassador to Japan, Dr. Yaacov Cohen, termed Uno's visit a "significant move." Likewise, a spokesman for the Japanese Foreign Ministry said that the trip is part of the recent improvement in relations between Israel and Japan, a country that has recently come under fire from the U.S. for practicing diplomatic and trade discrimination against Israel. (In the last 12-18 months, the Japanese government has made a concerted effort to improve ties to Israel, in part because of pressure from Washington D.C.) But the Japanese official said it was unlikely that Uno would discuss bilateral Japanese-Israeli issues, like compliance by major Japanese firms with the Arab boycott.

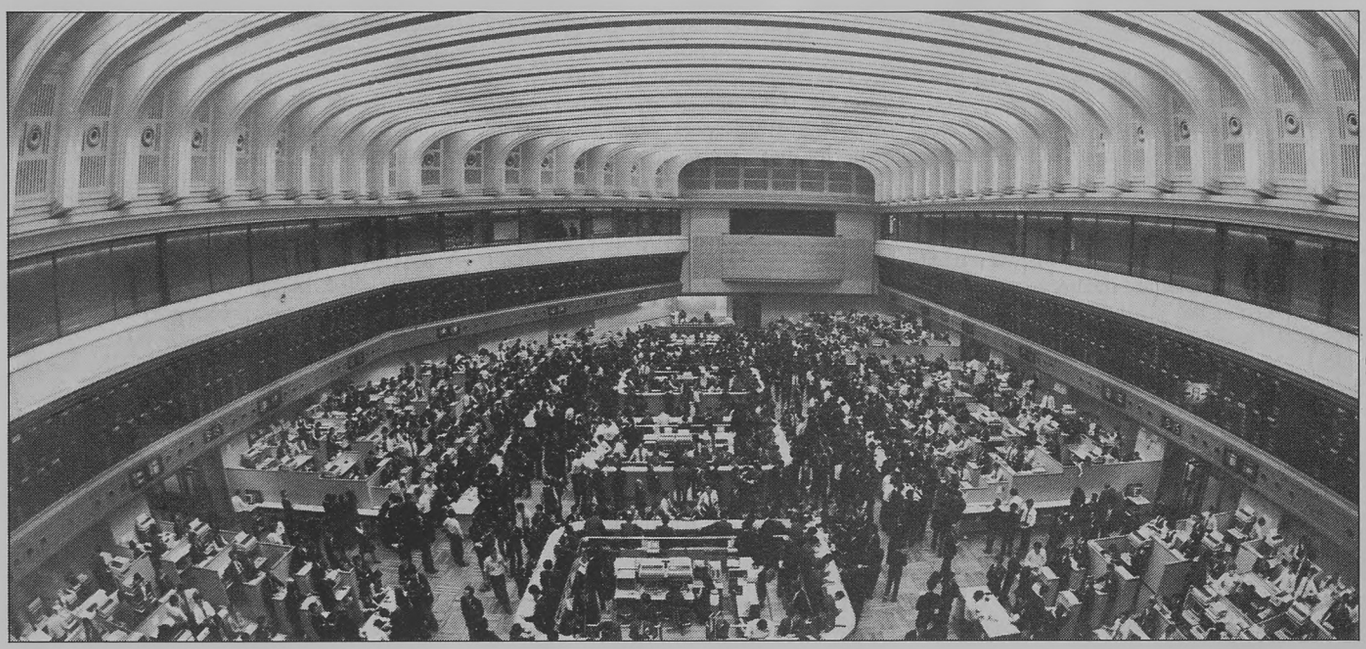
Toshiba Machine's profits decline

Toshiba Machine Co. said on May 31 that it posted loss of ¥100 million for the year ended March on a sharp decline in export earnings

Exports declined 14% from a year earlier, hard hit by a triple blow of the yen's rise, stiffer controls imposed on U.S.-bound exports and the company's violation of COCOM rules.

Sales fell 5% to ¥96,330 million. As a result, the company plans to suspend dividend payment for the year.

For the year ending next March, although a ban on sales to Communist-bloc countries will be lifted, the company will probably continue to limit exports to such countries.



Japan Inc's most profitable factory

TOKYO

GUESS how two of Japan's best-known companies, Nissan Motor and Sanyo Electric, made most of their profits last year? Not by making motor cars, video recorders or televisions, but by juggling money. Last year more than half the industrial companies listed on the Tokyo Stock Exchange made such profits playing the financial markets. Sanyo's dealing income was 134% of its operating profits, and Isuzu Motors' 1,962%.

A lot of firms made even more money in the previous year, which had no Black Monday. For many Japanese companies, these financial bonanzas came as a godsend after the appreciation of the yen since 1985 had slimmed export margins and hammered manufacturing profits. But Tateho Chemical showed the dangers of being hooked on the money game. It went bust last year after speculating in government-bond futures. Now that corporate profits are booming and cash levels are at their highest since 1972, the big companies are playing a safer—yet still lucrative—game. Witness Toyota, Japan's biggest carmaker.

Toyota has an estimated cash hoard of ¥1.7 trillion ($13.4 billion)—enough to buy Honda. Yet Toyota has said that next month it will float the biggest convertible yen bond seen in Japan. It wants to raise ¥300 billion, half as much again as the previous record for a convertible, also launched by Toyota. The company says it needs the money to develop new products and technologies and for investment in plant overseas. Really? Toyota's capital-investment plans for this year call for only ¥260 billion.

As the bluest of Japan's blue-chip companies, Toyota's securities command the finest of terms. Its bond will carry a coupon of 1.7% against the average rate for yen bonds convertible into equity of 2%. Thus the proceeds can be reinvested in financial instruments on better terms than Toyota will have paid for the funds. Large-scale time deposits yield around 4%.

Nice non-work if you can get it, and Toyota has proved a dab hand at the game. In the year to March 1988 it made ¥149 billion from investing in financial assets, or *zaiteku* (financial engineering) as it is known in Japan when done by industrial companies. Such investment provided 37.6% of the company's total pre-tax profits. For the past eight years Toyota has headed the league-table of the top earners from *zaiteku* that Wako Economic Research Institute compiles annually.

Even those companies not in the top ten made a bundle from *zaiteku*. Victor Company of Japan, the big audio equipment and video-recorder manufacturer, made dealing profits equivalent to 93% of its pre-tax profits or ¥16 billion; for Hanwa Kogyo, a steel trader, the figure was 60% (also ¥16 billion); Ajinomoto, a big food processor, made ¥13 billion, or 40% of its pre-tax profits.

There is little sign that Japanese companies will lose their taste for *zaiteku*, if only because they still have the cash to indulge in it. On average, Japanese companies hold cash, deposits and marketable securities equivalent to at least 45 days' worth of sales. No just-in-time inventory control when it comes to money.

Black Monday has made some companies think twice about *zaiteku*, but Toyota's racy convertible suggests that the big boys, at least, have put second thoughts behind them. They know they can make their cheap money make money even in unrisky markets.

Muck and money

Fiscal 1987	Non-operating profits ¥ bn	as % of pre-tax profits
Toyota Motor	149.6	37.6
Matsushita Electric	109.2	58.8
Nissan Motor	89.4	65.3
Sharp	28.0	73.2
Sony	27.2	62.8
Honda Motor	22.7	26.1
Sanyo Electric	21.5	134.2
Mitsubishi Corp	20.8	29.8
Chiyoda	20.6	(loss)
Isuzu Motors	16.4	1,962.4

Source: Wako Economic Research Institute

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Toshiba worried about its pro-Arab image

U.S. trade bill fears lead firm to seek Jewish support

By Willy Stern

SPECIAL TO THE JAPAN ECONOMIC JOURNAL

The decision by major Japanese electronics manufacturer Toshiba Corp. to close its Kuwait office effective last October was made in large part because of the firm's "increased sensitivity" to the American Jewish community, according to a high-level Toshiba consultant.

The history behind the decision demonstrates how one Japanese company begrudgingly acknowledged it can no longer blindly follow the dictates of the Arab boycott of Israel with impunity.

(The Arab boycott states that any company that does business with Israel cannot also trade with an Arab company. The U.S. and most European countries have passed laws making it illegal to comply with the boycott, but this is not so in Japan.)

Toshiba Corp. has been looking for goodwill in Washington D.C. because the present U.S. trade bill — which President Reagan has vetoed — contains measures that would punish Toshiba for the actions of its subsidiary, Toshiba Machine Co., which last year was caught illegally selling to the Soviet Union machines that are used to make submarine propeller parts. The Japanese government has also been seeking to improve relations with Israel, culminating with a visit by Foreign Minister Sosuke Uno to Israel in late June.

Toshiba Corp.'s history of compliance with the boycott has been well publicized in the U.S. Toshiba has been worried that Capitol Hill's "Japan-bashers" might join hands with the pro-Israel lobby, reports Professor Yoshihiro Tsurumi, a Japanese political commentator now living in New York, who acts as an unpaid consultant to the Japanese government and many Japanese firms including Toshiba. Tsurumi told The Japan Economic Journal that political considerations in the U.S. were the "overriding factor" in Toshiba's decision to close the Kuwait office.

A Toshiba spokesman in Tokyo, however, claimed that because of the firm's dropping volume of business in Kuwait, an office there was no longer warranted. In truth, sources at Toshiba say that the fall in oil revenues has been responsible for a 50% drop in Toshiba's 1987 sales volume in Kuwait from 1986.

Toshiba's denial is a revealing manifestation of the dilemma Japanese companies are just starting to face in the Middle East. If Toshiba is perceived to be shunning the Arab market in response to pressure from the American Jewish community, the firm believes its massive trade with the Arab world could be jeopardized. But Toshiba also knows that its pro-Arab policy in the Middle East now may have wider implications.

(In 1986, Toshiba flatly refused to sell mail sorting machines to the Israeli Ministry of Communications, although Israel eventually bought the same machines through a third party in the U.S. Toshiba even warned its worldwide distributors that their franchises would be cancelled if they were found shipping products to Israel.)

The leverage that the American Jewish community has over Toshiba is considerably larger than that with the other large Japanese companies, because of the punitive measures versus Toshiba in the trade bill. Except for Mitsubishi Motors, which last autumn agreed to begin selling cars in Israel, most other large Japanese firms continue to adhere to the Arab boycott.

Toshiba officials have one eye on the Arab market when they explain: "We have in no way ceased to do business in Kuwait and Kuwait will now be serviced through our Dubai office." But with the other eye on the pro-Israel lobby in the U.S., Toshiba's top-level management was "only too happy to close the Kuwait office at this time," according to Tsurumi.

Toshiba's two-faced policy has only led to confusion in the U.S. The company has retained a prestigious New York law firm, Mudge, Rose, Guthrie, Alexander & Feldon, to coordinate its lobbying effort in the U.S., but the law firm was unaware that the Kuwait office had been closed until contacted by The Japan Economic Journal.

Against this background comes the announcement that Foreign Minister Uno will visit Israel in late June. This visit is being interpreted by Middle East analysts as a sign of Japan's political maturity, and not necessarily as a sign of friendliness toward Israel.

On a postive note for Israel-Japanese trade relations, Uno's 24-hour visit — the first ever by a Japanese minister to Israel — breaks a major psychological barrier. But little else is expected from the visit in terms of improving relations between the two countries.

The decision to include Israel on Uno's six-day trip was taken specifically so that Japan would be seen as touching base with all interested parties in the Middle East peace process. Uno's decison to visit Israel came at Japan's initiative, so that Japan could become a "player" in the peace process.

Uno will also visit Syria, Jordan and Egypt between June 22-27. Although Israeli officials are publicly hoping that Uno will make a constructive contribution to peace in the region, they remain worried that Uno might use the visit as an excuse to grandstand for the Palestinian cause. Efforts are already underway to set up a meeting between Uno and P.L.O. leader Yasser Arafat.

Israeli Ambassador to Japan, Dr. Yaacov Cohen, termed Uno's visit a "significant move." Likewise, a spokesman for the Japanese Foreign Ministry said that the trip is part of the recent improvement in relations between Israel and Japan, a country that has recently come under fire from the U.S. for practicing diplomatic and trade discrimination against Israel. (In the last 12-18 months, the Japanese government has made a concerted effort to improve ties to Israel, in part because of pressure from Washington D.C.) But the Japanese official said it was unlikely that Uno would discuss bilateral Japanese-Israeli issues, like compliance by major Japanese firms with the Arab boycott.

Toyota accused of boycott compliance

By STEWART AIN

Japanese officials of Toyota are continuing to participate in the Arab boycott of Israel, rejecting a request by American executives of Toyota to make a deal with a leading Israeli car dealer, according to the American Jewish Congress.

Nissan is the only other Japanese auto dealer that refuses to sell its cars in Israel, according to the AJCongress.

In its monthly publication, Boycott Report, the AJCongress said the Israeli car dealer KLAL wanted to obtain a Toyota franchise from the American subsidiary of Toyota, which operates a large manufacturing plant in Lexington, Ky.

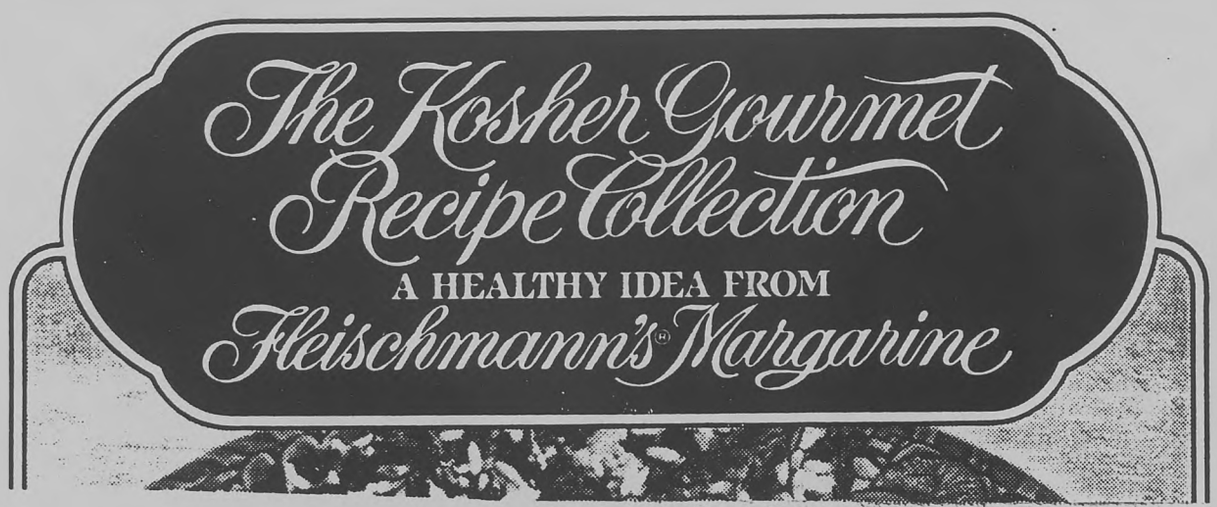
"The American executives of Toyota were eager to make a deal with KLAL, but the Japanese vetoed the proposition," said the publication. "Their lame excuse was that Toyota lacked sufficient executives to supervise the new Israeli franchise. We believe that, on the contrary, Toyota's refusal is an indication of its participation in the Arab boycott of Israel."

The publication noted that last November the American subsidiary of another Japanese car dealer, Honda, agreed to sell its autos in Israel and that its Japanese parent agreed to ship spare parts to Israel, if necessary. In addition to Honda, other Japanese auto makers that sell their cars in Israel are Mitsubishi, Subaru, Suzuki and Daihatsu.

Japan is heavily dependent upon the Middle East for oil and Saudi Arabia is Japan's largest trading partner in that region.

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File

May 9, 1990

Albert Rosen
89 Harding St.
Hazletonh, PA 18201

Dear Mr. Rosen:

In answer to your letter addressed to the World Jewish Congress, I enclose two marked copies of Boycott Report. Toyota refuses to sell its cars in Israel but I have never heard of any anti-Semitic remarks voiced by the head of Toyota. What evidence is there of this?

If you are interested in the efforts to combat the boycott of Israel, I suggest you subscribe to Boycott Report.

Will Maslow

Will Maslow

General Counsel and
Editor, Boycott Report

WM:rb

enclosure

cc: Sidney Gruber, WJC

bcc: William Josephson

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May 2, 1990

Mr. Albert Rosen
89 Harding Street
Hazleton, PA 18201

Dear Mr. Rosen:

Thank you for your letter of April 26.

We are taking the liberty of forwarding your letter to the American Jewish Congress, which is the organization in the United States specializing in the Arab boycott.

We are confident that you will be hearing directly from them.

Sincerely yours,

Sidney Gruber

Sidney H. Gruber
Director of Organization

cc: Mr. Will Maslow
American Jewish Congress
15 East 84 Street
New York, NY 10028

89 Harding St.
Hazleton, Pa. 18201
April 26, 1990

World Jewish Congress
501 Madison Ave.
New York City, N. Y. 10022

Gentlemen:

Many of us who would not buy a German-built automobile, for obvious reasons, buy Japanese cars. At one time, a majority of the Japanese automobile companies were willing, if not zealous, participants of the Arab League boycott of Israel. Recently, I've heard disturbing rumors about anti Israeli and anti-semitic feelings being voiced by the head of Toyota Motors.

I currently own one Toyota and was about to purchase a Lexus. I am delaying this purchase while attempting to get information about the policies of Toyota in relationship to Israel

I feel it would be helpful to those of us who care if the W.J.C. did a survey of the practices of each of the major Japanese automobile manufacturers in regard to Israel. It might also bring some pressure on these companies if they were aware that potential buyers were monitoring their actions.

If the above is not within the usual functioning of the W.J.C.; could you suggest which organization or publication would be the most logical one to contact?

Yours truly,

Albert Rosen

Albert Rosen

CONSULATE GENERAL
OF ISRAEL IN NEW YORK

הקונסוליה הכללית של
ישראל בניו-יורק

April 12, 1991

To: The Wally Stern Group

From: Mordecai Yedid
Deputy Consul General of Israel

Re: TOYOTA'S DECISION ON AUTOMOBILE EXPORT TO ISRAEL

The following is from the first pages of the Japanese evening papers (4/12/91):

> Toyota decided today to export vehicles to Israel through an agent in Israel beginning this coming Autumn. In the first stage they are talking about 5000 cars, mainly Coralla 1600. Up until today only Fuji, Mitsuibishi, Daihatsu, and Honda exported to Israel. The Arab countries used to boycott companies that traded with Israel but Toyota decided to export after considering the situation and they concluded that the Arabs have moderated their approach since the Gulf War.
>
> Toyota stated that until today the automobile market was not big but lately it is expanding and becoming more attractive. This is the main reason for their decision. Nissan is considering the possibility of also exporting to Israel. The Israeli automobile market consists roughly of 100,000 cars a year, and the Japanese share of the market is 41,000-- 30,000 by Fuji and 11,000 by Mitsubishi.
>
> The Middle East department of MITI believes that other companies will respond the same way Toyota did.

Toyota

Union Motor Ltd. / of Israel

Corolla 4

will start end of 1994

NEW YORK, N. Y. 10023

Toyota

JTA DAILY NEWS BULLETIN
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VOL. 69 - 74th YEAR FRIDAY, APRIL 12, 1991 NO. 70

TOYOTA WILL NOW SELL CARS IN ISRAEL, ENDING COMPLIANCE WITH ARAB BOYCOTT
By Aliza Marcus

NEW YORK, April 11 (JTA) -- Toyota Motor Corp. has announced it will soon start selling cars in Israel, making it one of the first major Japanese companies to come out publicly against the Arab-led economic boycott of Israel.

"This is the most significant company to break with the boycott," said William Rapfogel, executive director of the Institute of Public Affairs, the public policy arm of the Union of Orthodox Jewish Congregations of America.

"We're very hopeful that the change in Toyota is a harbinger of things to come and that other companies will see opportunity in Israel and not feel the need to restrict trade with Israel."

Over the past few years, Toyota had come under increasing pressure from Jewish organizations to begin sales in Israel.

Many Jewish groups contacted Toyota to express concern "that we were in tacit compliance" with the boycott, said Tim Andree, manager for external affairs at Toyota's North American headquarters here.

Although Toyota never admitted it adhered to the boycott of Israel, it was one of numerous Japanese companies which for years had refused to do business with the Jewish state.

"Our answer then, as it is now, is that we had to find the right partner and study the market, and that we don't jump into any market quickly," said Andree.

The economic boycott of Israel, which was organized in 1951 by the 21 nations of the Arab League, not only prohibits companies from engaging in trade with Israel, but also seeks to isolate companies that do business with the Jewish state.

Jewish Groups Pleased

In the wake of the war in the Persian Gulf, and American assistance to Saudi Arabia and Kuwait, U.S. officials have become more sensitive to the economic boycott and its psychological and economic impact on Israel.

Secretary of State James Baker has suggested to Arab countries that they drop the boycott as a sign of good faith for future negotiations with Israel.

Jewish groups, meanwhile, have been focusing on Japanese compliance. Last week, the International Committee for Free Trade with Israel, an umbrella organization of six major Jewish groups, met with Japanese Embassy officials in Washington to express their concern over boycott compliance.

Toyota's decision was lauded by the Anti-Defamation League of B'nai B'rith, which issued a statement Thursday welcoming the move and calling on other Japanese companies to follow Toyota's lead.

"Efforts by Arab states to enforce the economic boycott of Israel are destructive politically and harmful to the creation of a world market by free trade," said Abraham Foxman, ADL national director.

The American Jewish Committee called the decision "a major breakthrough in efforts to promote free and open trade between Japan and Israel."

PEACE ACCORDS MEAN DIPLOMATIC GAIN, POLITICAL DIVISION FOR SHAMIR REGIME
By Gil Sedan

JERUSALEM, April 11 (JTA) -- Foreign Minister David Levy told a meeting of Israel's Inner Cabinet on Thursday that the agreements reached with U.S. Secretary of State James Baker here this week represent "an important political achievement for Israel."

But if the meeting was any indication, those agreements are also a source of tremendous political friction within the Cabinet between moderate forces and those opposed to any further concessions on Baker's proposal for a regional peace conference.

Prime Minister Yitzhak Shamir abruptly adjourned the Inner Cabinet session after one of his most hard-line ministers, Ariel Sharon, questioned the wisdom of the commitments Shamir and Levy had made with respect to the type of Palestinian delegation Israel would negotiate with.

Shamir told the senior ministers that he would prefer if the Palestinian delegates to the proposed conference were part of a Jordanian delegation.

Sharon immediately demanded to know of the prime minister, "Is this a matter of preference, or do you oppose a separate Palestinian delegation?"

Before Shamir had a chance to respond, Levy reminded the prime minister that both of them had told Baker they would not oppose a separate Palestinian representation even though they preferred the Palestinians be part of the Jordanian entourage.

Then, as if still uncertain how Shamir would respond, Levy cautioned that "if anyone decides to change his mind, he had better say so immediately to avoid a crisis in our relations with the United States and damage to the State of Israel and the peace process."

No Dialogue With The PLO

The foreign minister recalled that Israel's May 1989 peace initiative included a commitment not to oppose a Palestinian delegation. He remarked that without such an agreement there would be no peace process.

The Israeli foreign minister, who seems to be carrying the ball for the Baker plan, briefed his colleagues on its nine salient points.

Negotiations will take place on "two tracks" -- one with the Arab states, the other with the Palestinians. There will be no independent Palestinian state. The Palestinian delegation will be composed exclusively of residents of the administered territories.

According to Levy, the Americans did not ask for the inclusion of Palestinians living abroad or in East Jerusalem.

A senior American official told reporters later that the composition of the Palestinian delegation was not discussed during Baker's visit to Israel.

Levy stressed there would be no dialogue with the Palestine Liberation Organization by either Israel or the United States.

Levy said Israel and the United States acknowledged they had different interpretations of

U.N. Security Council Resolutions 242 and 338. They will be subject to negotiations at a later point in the diplomatic process, he said.

According to Levy, the Soviet Union will re-establish full diplomatic relations with Israel before it serves as co-host with the United States of the regional conference. The Soviets would accept the parameters agreed to by Israel and the United States, Levy said.

Finally, the United States agreed not to deviate from these understandings without agreement from Israel.

According to Levy, Israel has won most of the diplomatic points so far in the renewed peace process, the most important being the idea that the regional conference will serve only as a curtain raiser for direct talks between Israel and the Arab states and parallel negotiations with the Palestinians. That rules out the international conference format, which Israel has rejected.

Meeting With Jordanian

Baker got Egypt's cautious approval of the regional conference idea in Cairo on Wednesday. But his major coup was a green light from Saudi Arabia's foreign minister, Prince Saud al-Faisal, whom he met while in the Egyptian capital.

He had a much tougher job in Damascus on Thursday trying to convince Hafez Assad to go along. The Syrian president insists on an international peace conference under U.N. auspices and Israel's prompt withdrawal from all Arab territory it seized in 1967.

The secretary of state was to fly to Geneva on Friday for a noon meeting with the Jordanian foreign minister, Taher al-Masri, at the U.S. Mission there.

According to reports from Geneva, Baker will meet immediately afterward with Shimon Peres, leader of Israel's opposition Labor Party, who happens to be in Geneva.

There was speculation that Peres and the Jordanian minister also might "accidentally" meet in the mission's corridors.

(JTA correspondent Tamar Levy in Geneva contributed to this report.)

FRENCH FOREIGN MINISTER PLANS A MEETING WITH ARAFAT IN LIBYA

PARIS, April 11 (JTA) -- French Foreign Minister Roland Dumas plans to meet with Yasir Arafat later this month in Libya, becoming the first European foreign minister to see the Palestine Liberation Organization leader since the end of the war in the Persian Gulf.

News of such a meeting was predicted this week by diplomatic sources in Luxembourg, where leaders of the European Community held an informal summit meeting to discuss prospects for Middle East peace since the Gulf war.

On Thursday, French officials confirmed that the Foreign Ministry had sent the head of its Middle East division to Tunisia to arrange a meeting between Dumas and Arafat.

Arafat has been largely ostracized by the E.C. and members of the U.S.-led coalition that ousted Saddam Hussein's army from Kuwait since the PLO chief cast his lot with Hussein.

Dumas is the only European foreign minister to have contact with Arafat since the Gulf crisis began. It will be their second encounter since the crisis began last August.

Dumas is scheduled to leave April 21 on a visit to Algeria, Tunisia, Libya and Egypt.

JEWS PROTEST SELECTION OF MONTREAL FOR U.N. PARLEY ON THE PALESTINIANS

By Bram D. Eisenthal

MONTREAL, April 11 (JTA) -- Canadian Jewish groups have reacted angrily to a plan for this city to host a United Nations conference on the Palestinians in late June.

Spokespeople for various Jewish organizations said such an event would do nothing to encourage resolution of the Middle East conflict.

"We are condemning it," said Marilyn Wainberg, national president of B'nai Brith Canada.

"We feel it should not be held and that the U.N. has clearly lost its proper focus. World attention should be focused on settling the Kurdish problem instead of another session of Israel-bashing," she said.

The conference, organized by the U.N. Committee on the Exercise of the Inalienable Rights of the Palestinian People, has been held annually since 1984 at United Nations headquarters in New York.

The conferences normally attract a few hundred people, including some Israelis, representing various peace, educational, relief and other non-governmental organizations, according to U.N. publications.

A U.N. official said the purpose of the conference is to encourage discussion of the Israeli-Palestinian conflict and ways in which groups could support and aid Palestinians living in the Israeli-administered territories.

"The (U.N.) General Assembly has given a mandate for these meetings to take place, and both the General Assembly and the Security Council are involved in the search for peace in the region," said the official.

The official said conference organizers had wanted to change the meeting site so as to encourage a wider range of participants, but until now neither the United States nor Canada has been willing to agree to host the conference.

'A Very Biased Event'

Should the Canadian government approve Montreal as this year's conference site, it would have to provide security for delegates under the standard U.N.-host country agreement. But otherwise no financial outlays would be necessary, said a U.N. official.

Officials from the Canada-Israel Committee expressed dissatisfaction that they first heard of the proposed conference site through the news media, even though they hold frequent meetings with officials of Canada's External Affairs Department.

They also said they were skeptical about the potential value of such a conference, whose tentative theme this year is "Protecting Lives and Promoting Peace."

"From all explanations in the media, it seems to be a very biased event," said Robert Ritter, executive director of the CIC's national office in Ottawa.

"It is more of a polarizing and radicalizing initiative, focusing on exacerbating the conflict rather than resolving it," he said.

Thomas Hecht, chairman of the CIC's Quebec region, agreed that "a conference of this type at this time is more than ill-advised," especially because of the current peace efforts in the Middle East.

(JTA correspondent Aliza Marcus at the United Nations contributed to this report.)

CHRISTIANS AND JEWS FOR ISRAEL

April 4, 1991

CHRISTIANS AND JEWS CALL FOR AN END TO JAPAN'S BOYCOTT OR ISRAEL

AN OPEN LETTER TO JAPAN'S PRIME MINISTER TOSHIKI KAIFU

Dear Mr. Prime Minister,

This delegation of Christian and Jewish leaders welcomes you to Orange County. We applaud your meeting with our President George Bush, to discuss relationship between our fellow democracies.

The delegation wishes to respectfully call for you to address another problem--one we believe to be both moral and ethical--the compliance of Japanese companies with the Arab boycott of Israel.

Japan's business leaders have in the past blocked trade and cultural ties with Israel, thus lending credence to the "pariah status" given Israel by enemies of the Jewish state, and closing off the inherent right of free trade between fellow democracies.

Thankfully, some actions are being taken by your government to change this unfortunate policy. We congratulate you for having recently dispatched the Deputy Prime Minister of your government to visit Israel and to begin negotiations with its government and people.

Now we ask you to distance Japanese trade completely from any further agreement to, or compliance with, trade boycotts of Israel. Our reasons as concerned Christian and Jewish religious and secular leaders are clear-cut and basic:

1) Japan is a leader in the world economy and a strong proponent of free world trade. Israel is the only free-world partner that has been excluded by leading Japanese companies from participation in full, open trade.

2) A very large number of Japanese corporations (Nissan, Mazda, Toyota, Hitachi, Toshiba, Nippon Steel, and many others) have cooperated with the Arab boycott against Israel because of threats from Arab countries. Some of these companies have begun to change their policies, but more action is called for.

3) The Japanese government has, in the past, given its tacit approval to this boycott policy and there have been government agencies which even encouraged it because of fear of Arab trade retaliation.

4) This economic boycott has exerted tremendous pressure on the Israeli economy and added to the problem of Israel's absorption of hundreds of thousands of Jews who are coming to Israel from the Soviet Union.

5) It is a paradox that the business leaders of the Far East's number one democracy would refuse to have anything to do with the only democracy in the Middle East.

We ask you, Mr. Prime Minister, to call upon your government to enact the proper legislation that would clearly declare it illegal for any Japanese company to adhere to or comply with any facet of the economic boycott of Israel.

We further request that your government strive vigorously to immediately normalize all trade relations with Israel.

The international coalition's success in defeating Iraqi aggression has created a favorable climate for the launching of efforts aimed at bringing peace to all areas of the Middle East.

Japan is destined to play a crucial role in world affairs by virtue of its democratic institutions and economic strength. What better immediate role for the number one democracy in the Far East to play than to establish normal trade relations with Israel?

Sincerely,

Rev. Frank Eiklor, Co-chairman

Rabbi Haim Asa, Co-chairman

Shalom International

Americans for a Safe Israel

B'Nai B'rith District Four

Jewish Federation of Orange County

Friends of Israel Republican Club

TOYOTA TURNAROUND

Winston Pickett

Was American Jewish lobbying behind Japanese giant's free trade move?

The April 11 decision by the Japanese automobile giant Toyota to end its compliance with the Arab boycott and begin selling cars directly to Israel was apparently helped along by the lobbying efforts of American Jewish leaders, prompted by an Israeli request to stop using the soft pedal. "It's difficult to say just what prompted the Japanese to turn around on this one," says investment banker Walter Stern. But he thinks American Jewish pressure may have played a role in getting the first of the giant Japanese concerns to break the boycott.

Stern is chairman of the International Committee for Free Trade with Israel—an umbrella group of major Jewish organizations—which has headed a 15-year campaign to end the boycott worldwide. The committee was formed in 1975, following a series of oil crises that made it easier for Arabs to pressure Western firms not to do business with Israel. Committee lobbying was instrumental in bringing about America's 1977 anti-boycott law, which forbids American companies to comply with the Arab boycott by supplying information on dealings with Israel or on whether goods have made-in-Israel components.

Over the years, the International Committee established satellite committees in several countries, convening every few years in Brussels. "Our thrust was to get countries like Holland, France and Belgium, and in the last few years Japan and Korea, to institute anti-boycott legislation," says New York attorney Kenneth Bialkin, the International Committee's overseas chairman.

According to Bialkin, persistent efforts were made for over a decade to get Japan to comply with the rules of free trade, including passing government legislation similar to America's anti-boycott law—or at least to issue an official statement condemning the boycott.

But until this year, these calls fell on deaf ears. Japanese officials repeatedly claimed that such an action would constitute government interference in business. Rather than confronting Japan directly, American Jews, on the advice of the boycott office of the Israeli Finance Ministry, preferred quiet diplomacy—ongoing contacts with the U.S. Departments of State and Commerce, as well as in Congress.

In August, 1989, U.S. Rep. Gary Ackerman (Democrat, NY) with the backing of 100 congressmen, sent a letter to then Japanese prime minister Sosuke Uno calling for free trade and an end to compliance with the Arab boycott. More recently, a similar letter was drafted by Rep. Mel Levine (Dem., CA) and sent to Japan's ambassador to Washington, Ryohei Murata, calling for unrestricted trade between Israel and Japan.

However, the committee's efforts—whether on Capitol Hill, through the press, or even through direct contacts with Japan's ruling Liberal Democratic Party, the Keidanren (Japan's chamber of commerce) and its Ministry of Trade and Industry—were just not working.

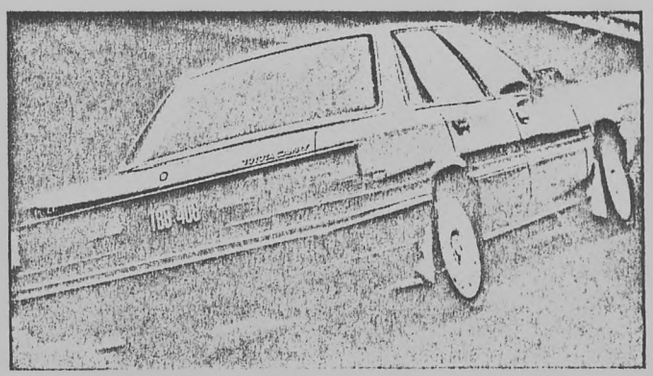
In January 1991, on the eve of the Gulf War, things began to change. After a high-level meeting at Israel's Foreign Ministry, the committee took up the issue far more vigorously with the State Department. On January 31, the Conference of Presidents of Major Jewish Organizations held a meeting with Secretary of State James Baker to press the issue further. According to Malcolm Hoenlein, executive director of the conference, "a significant discussion" took place.

How much this contributed to the thawing of Japan's major auto concern is a matter for speculation. But Japanese newspapers recently reported that Japan was changing its Middle East policy under U.S. pressure. In the wake of the Gulf crisis, Washington was asking Japan to affirm its alliance with the West by expanding relations with Israel, they said. In the second week in April, after President George Bush and Japanese Prime Minister Toshiki Kaifu met in California, the Japanese press reported that Kaifu expressed disapproval of the Arab boycott.

Toyota's decision was praised by American Jewish organizations. Officials said discussions would continue with the Japanese government and industry officials to encourage Japanese investment in Israel, as well as the removal of all remaining barriers to mutually beneficial trade relationships.

And while Hoenlein and others admit that there is no visible activity in Japan demanding an end to the boycott, they are cautiously hopeful that with Toyota as a precedent, other Japanese manufacturers, specifically the five major Japanese trading houses, will follow suit.

Still, many Jewish organization leaders fear, unfettered Japanese trade with Israel would not be enough to break Israel's economic isolation. Another company selling products to Israel is not the answer, says Stern. What are needed are companies that are actually willing to invest in the country and open up trade links. "We'll know that this is beginning to happen when Japan Air Lines starts landing at Ben-Gurion Airport." ❑



Toyota expects to export 5,000 cars to Israel every year

BIG WHEELS

Ezra Dagni and George Horesh of London, who will import Toyota cars into Israel through their Union Motors company, will be arriving here at the end of the month to finalize details of their import license in talks at the Transport Ministry. They hold the firm's agency for Turkey and they say they have been trying to persuade Toyota to sell to Israel for 15 years.

A Toyota spokesman in Tokyo said the giant Japanese auto producer plans to export at least 5,000 cars to Israel each year. In the first year, the Corolla, the company's largest-selling car, is likely to be the only model sold in Israel. Even before Toyota's entry onto the Israeli market, Japanese cars, Subaru, Mitsubishu, Daihatsu and Suzuki, account for more than 50 percent of all cars sold here, although they are dwarfed by the huge Toyota concern and are in any case sold to Israel through third parties. Another Japanese firm, Honda, sells its American-produced cars locally through its American subsidiary. ❑

B/ Toyota

INTERSTATE PACKAGING

615/797-9000
FAX•615/797-9411

October 24, 1990

Public Relations
Toyoto Motor Company
4450 Creek Road
Cincinatti, Ohio 45242

Dear Sirs/Madam:

Enclosed is an article by Cynthia Dettelbach of the Cleveland Jewish News which states that Japan and specifically Toyota have actively participated in the Arab economic boycott of Israel. These charges are very serious and we hope that Toyota will refute them.

Interstate Packaging is a small company which maintains a fleet of about twelve cars. For at least ten years now the company fleet has included a large percentage of Japanese cars, which have been mostly Toyota. We believe in free trade and I have personally visited Japan. However, we will not maintain any affiliation with a company which has a policy of intolerance or bigotry. Unless we receive documented evidence from you which contradicts this article, we will direct that no more Toyota cars be purchased for our fleet. We will also actively encourage our community and other communities to refuse to buy Toyota products. We are deeply offended by the statements in the article and hope that they are not true.

Unless we are presented with evidence to the contrary by November 15, 1990, we will assume that the statements in the Dettelbach article are accurate and will act accordingly. Thank you for your consideration of our position.

Sincerely yours,

Michael D. Doochin
Treasurer

MDD/ds

Enclosure

STATE HIGHWAY 47 NORTH
P.O. BOX AG WHITE BLUFF, TN. 37187

NATIONAL MEDIA RESOURCE CENTER
Committee for Accuracy in Middle East Reporting in America

B/Toyota

October 3, 1990

Yuki Togo, President
Toyota Motors USA
19001 South Western Avenue
Torrance, CA 90509

Dear Mr. Togo,

I am writing to protest Toyota's compliance with the Arab boycott of Israel. It has come to our attention that not only does your company refuse to engage in normal trade relations with the state of Israel, but you are presently fostering abuse of American anti-boycott laws in the placement of advertizing in TIME and NEWSWEEK editions which do not appear in Israel.

We intend to publicize among our national membership Toyota's compliance with the unconscionable boycott of Israel and its evasion of American laws prohibiting compliance with the anti-Israel campaign.

Yours truly,

Andrea Levin

Andrea Levin

cc: Anti-Defamation League
Hadassah
United Jewish Appeal
American Jewish Congress
Office of Anti-Boycott Compliance, United States Department of Commerce

President
Andrea Levin

Vice President
Sidney Laibson

Secretary
Michael Hoffman

Treasurer
Sam Bahn

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Advisors
Prof. Jerold S. Auerbach
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B
Toyota

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WRITER'S DIRECT LINE

November 28, 1990 820-8220

Will Maslow, Esq.
General Counsel
American Jewish Congress
15 East 84th Street
New York, N.Y. 10028

Dear Will:

Betty Rivera should be in touch with you shortly about Toyota. She is going to Japan in December to attend meetings between Toyota and the head of Clal. This is off the record.

Enclosed is our renewal for our subscription to Boycott Report.

Also enclosed is a self-addressed stamped envelope. Please send me a copy of Yaacov Cohen's speech.

Best regards.

mailed 11/29/90

Sincerely,

William Josephson

WJ:m.b.
Enclosures

WM - Thanks for the cutting about Toyota.
We had seen it, as well as the report in the Jerusalem Post, and I have now written as attached. Will keep you informed.
To keep you up to date here is draft of our next Case Studies. We meet next week - I'll be in Israel from 8/27 to 9/6.

With Compliments & best regards

14/15 Rodmarton Street
London W1H 3FW
Tel: 01-486 2371

Harry C. Schwab

17.8.89.

Toyota

17th August 1989

The Managing Director,
Toyota (GB) Ltd.,
The Quadrangle,
108-118 Station Road,
Redhill,
Surrey RH1 1PX

Dear Sir,

We have read with interest recent press reports, stating that your Company has agreed to ship its British assembled cars to Israel.

As you will know, Israel is a leading market in the Middle East for two-way trading with the UK, the level of trade amounting at present to some £1 billion a year.

Our Chamber, together with our sister-Chamber in Israel, actively promotes this trade, and we would, needless to say, be glad to provide any assistance to your company which might be required.

We would, meanwhile, be very pleased to receive your confirmation that you intend to export your cars to Israel and look forward to hearing from you.

Yours faithfully,

HARRY C SCHWAB
Executive Secretary

cc. W. Maslow
M. Savitt

Detroit Jewish News
19. April, 1991
NEWS

nunity Center of Metropolitan Detroit

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1 91

Toyota

Toyota Quits Arab-Led Boycott Of Israel

New York (JTA) — Toyota Motor Corp. has announced it will soon start selling cars in Israel, making it one of the first major Japanese companies to come out publicly against the Arab-led economic boycott of Israel.

"This is the most significant company to break with the boycott," said William Rapfogel, executive director of the Institute of Public Affairs, the public policy arm of the Union of Orthodox Jewish Congregations of America.

"We're very hopeful that the change in Toyota is a harbinger of things to come and that other companies will see opportunity in Israel and not feel the need to restrict trade with Israel," he said.

Over the past few years, Toyota had come under increasing pressure from Jewish organizations to begin sales in Israel, including a letter-writing campaign by members of Orthodox Union.

The letter-writing campaign also targeted 17 other Japanese companies accused of following the boycott, including Toshiba, Casio, Hitachi, Aiwa, Nippon Steel, Nissan and Mazda, said Mr. Rapfogel.

Many Jewish groups also contacted Toyota to express concern that the firm was "in tacit compliance" with the boycott, said Tim Andree, a manager at Toyota's North American headquarters in New York.

Although Toyota never admitted it adhered to the boycott of Israel, it was one of numerous Japanese companies which for years had refused to do business with the Jewish state.

"Our answer then, as it is now, is that we had to find the right partner and study the market, and that we don't jump into any market quickly," said Mr. Andree.

The economic boycott of Israel, which was organized in 1951 by the 21 nations of the Arab League, not only prohibits companies from engaging in trade with Israel, but also seeks to isolate companies that do business with the Jewish state.

U.S. federal anti-boycott laws make it illegal for American companies to uphold the boycott or transfer information about a company's dealings with Israel.

But the Export-Import Act of 1977 is only applicable to U.S. firms or foreign companies that have U.S. subsidiaries. It has no jurisdiction over the parent company, according to officials of the Commerce Department's Office of Anti-Boycott Compliance.

In the wake of the war in the Persian Gulf, and American assistance to Saudi Arabia and Kuwait, U.S. officials have become more sensitive to the economic boycott and its psychological and economic impact on Israel.

Secretary of State James Baker has suggested to Arab countries that they drop the boycott as a sign of good faith for future negotiations with Israel. Last month, 82 U.S. senators signed a letter asking the emir of Kuwait to end his country's compliance with the boycott.

Philanthropist Leaves

Volume IV No. 223 PUBLISHED EVERY FRIDAY NEWSSTAND PRICE NIS 8.00 April 19, 1991

ICEN

THE ISRAEL COMMERCIAL ECONOMIC NEWSLETTER

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Low CPI Increase

IAF Refuels Australian Air Force

Nissim Prepares Industry for 1992

Neeman in U.S. on Desalination and Reactor

Breakthrough with Philips

Maxwell Reaps the Maximum

Dovrat/Schrem – Out Clal, in Maxwell

NEW PRODUCTS

17.2 Self-Service Gasoline

26.1 New Back-Saving Device

35.1 Plasma Coated Lenses

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The Israeli ambassador in Tokyo was informed of Toyota's decision by the director-general of Japan's International Trade office. Sources point out that Toyota's ending its boycott is a result of constant pressure on the company from Jewish organizations in the U.S., the American administration and the Israeli government. The Japanese foreign minister plans to visit Israel in the near future.

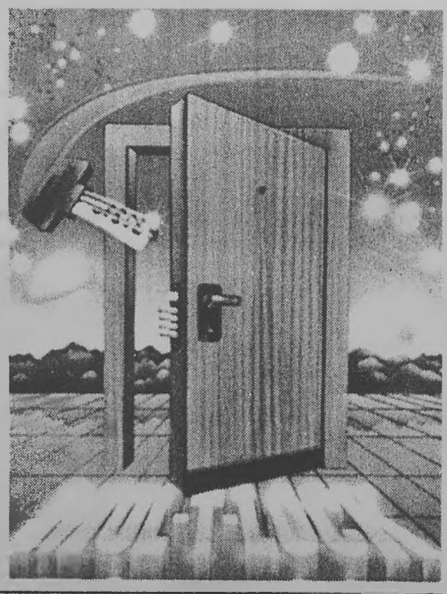
A/11/16/WK

Mul-T-Lock to Holland

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Mult-T-Lock sees the investment by Eurometaal as preparation for the 1992 unification of Europe. The company, whose shares are traded on the Tel Aviv Stock Exchange, employs 515 workers at its plants in Yavne and Barkan. Sales in 1990 totaled some $35 million. Mul-T-Lock, amalgamated as a private company in 1974, manufactures steel doors, car locking systems, security padlocks, cylinders, keys and systems, safes and cash registers and duplicating machines.

D/12/32/LG B/15/14A/DW



High Security Door Systems

CONSULATE GENERAL
OF ISRAEL IN NEW YORK

הקונסוליה הכללית של
ישראל בניו־יורק

Torah

April 22, 1991

To: The Wally Stern Committee

From: Mordecai Yedid
Deputy Consul General of Israel

Re: Boycott

1. The South Korean Foreign Minister Lee Sang-Ock will arrive in the United States on April 26, 1991 and will meet with Secretary of State James Baker and President George Bush.

2. From the Israeli press:

"Japanese Withdrawl From The Boycott", from Haaretz, 14-4-91

Usually we must wait for the action to be taken before we congratulate the Japanese confirmation of their commitment to no longer adhere to the Arab Boycott.

We found out that there are in fact two confirmations: one, towards government and pro-Israeli and Jewish businessmen, and the second, towards Arab diplomats, who are being told in Tokyo, Seoul and Paris, that no change of policy has occurred.

But it seems that this time the Japanese company Toyota is serious about exporting to Israel. The decision was formally made by the company's board of directors.

The announcement was sent to Israel's Ambassador to Tokyo by the Director General of the Foreign Trade Office, and not by "leaking" through internal channels to the American press, which can be denied if Arab protest arises.

The decision of Toyota's heads came after American action was taken . Foreign Ministry officials in Jerusalem suggested that the Prime Minister and Foreign Minister will during their talks with Secretary of State James Baker raise the subject of Japanese participation in the Arab embargo. President Bush brought up the subject during his meeting with Japan's Prime Minister, Toshiko Kaifo. Therefore, this time there is a good chance that the promise made to Israel will be kept.

There is no shortage of cars in Israel, not even of Japanese

ones. But still Toyota's decision is important. First, this is the largest car compoany in Japan, which commands one third of the country's automobile market. Second, its refusal to sell to Israel was a symbol of Japanese companies and the Japanese government's approach, that went further than the Arab embargo, which prohibits the sale of finished products to Israel. Third, at least for the first period-which is politically important- the marketing will be done directly from the factory in Japan and not the U.S. (something that allows-as with other Japanese companies-
to say to the Arabs that there is no control over the company's decisions).

During the visits of top Israeli officials in Japan it was promised that they will find a way to break away from the Arab boycott.

Experience shows that in this matter there are no break-throughs but rather an andvancement in very small step. Much work by Foreign Ministry officials in Jerusalem and major Jewish organizations, especially in the U.S., is still needed.

3. Attached a letter from "KOMTSU" confirming "KOMATSU" policy not to export to ISRAEL.

The Jerusalem Post

4/12/91

P. 1

Toyota

Toyota lifts ban on car sales to Israel

GALIT LIPKIS
and Associated Press

Toyota Motor Corp., Japan's largest automobile manufacturer, plans to cancel its embargo against Israel and start exporting cars this fall.

In the past the automaker refused to do business directly with Israel under apparent pressure from Arab countries. Toyota maintained its boycott of Israel even after four other Japanesse auto manufacturers lifted the ban and started to market here. the firms already exporting vehicles here are Fuji Heavy Industries (makers of Subaru), Mitsubishi Motors, Daihatsu Motor and Honda Motor.

"Its good news," said a Haifa-based car salesman. "Considering the high demand for Honda and Subaru, I expect high sales."

Yoshihara Tateishi, a Toyota spokesperson, said the plan calls for annual shipments of at least 5,000 cars with 1.6 liter engines, such as the Corolla, through Israel Union Motors. He claimed the company originally wanted to start exporting to Israel last year, but delayed its plans because of the Gulf situation.

Japanese auto makers exported a total of 36,400 vehicles to Israel in 1990, a more than three-fold increase over the previous year.

The plan was announced as the Japanese government was reported changing its Middle East policy, seeking warmer relations with Israel. Japan, heavily dependent on Middle East oil, has for decades favored Arab countries.

Japan's bilateral trade with Israel increased from $385 million in 1985 to $1.39 billion in 1989, according to Japanese figures.

Jonathan Schachter adds:

A spokesman for Toyota said that the decision to begin marketing automobiles directly in Israel was "purely a marketing decision" and not the result of any pressure by Jewish groups to end Toyota's compliance with the Arab boycott. However, he conceded the Jewish groups' efforts did help to lay the groundwork that led to the decision.

In a letter sent last night to the president of Toyota, Anti-Defamation League Director Abraham Foxman called Toyota's decision "a welcome and constructive step toward enhancing trade relations" between Japan and Israel.

Tomek

Toyota To Export To Israel

Pact Seen as Blow To Arab Boycott

By Paul Blustein
Washington Post Foreign Service

TOKYO, April 11—The Arab boycott of Israel was dealt a significant blow today when Toyota Motor Corp. disclosed that it will begin exporting cars to the Jewish state later this year.

A spokesman for Toyota said the company has reached an agreement to ship an Israeli distributor 400 to 500 Corolla sedans a month.

He disputed any suggestion that Toyota was responding to governmental or public pressure, saying, "This is purely a marketing decision, not a political decision."

But the move by the No. 1 Japanese automaker marks a major defection from the ranks of companies that have avoided selling their products in Israel for fear of being blacklisted by the Arab League.

Japanese companies have drawn heavy criticism from Jewish groups as being among the world's most faithful observers of the Arab boycott, and although Toyota is hardly the first Japanese firm to start selling to Israel, it is by far the most important in recent memory.

"This is a breakthrough," said Max Livnat, minister for economic affairs at the Israeli Embassy in Tokyo. "This is not just another company selling to Israel. You are talking about industrial company No. 1 of Japan."

The development, Livnat said, sends "a very clear message," on several levels. He said Toyota's move likely will encourage other Japanese companies to take similar steps.

He also said Toyota's decision underscores the "improvement in the relationship" that is underway between Israel and Japan.

Partly responding to pressure from the United States to take a more active role in the postwar Middle East, Tokyo has been seeking to strengthen its bonds with Jerusalem after years of maintaining pragmati-

See TOYOTA, C4, Col. 4

TOYOTA, From C1

cally close ties with the oil-rich Arab world.

Whether by coincidence or not, Toyota's announcement comes just days after President Bush reportedly urged Japanese Prime Minister Toshiki Kaifu to take measures aimed at ending the Arab boycott.

The Japanese government has taken a hands-off attitude toward the issue, neither encouraging nor discouraging companies from observing the boycott.

By contrast, the United States and some European countries have enacted anti-boycott laws.

Some Japanese press reports have said Tokyo is considering prodding companies to break the boycott, but a Foreign Ministry official said the neutral policy remains unchanged.

The Toyota spokesman said the company has been debating for several years whether to enter the Israeli market.

The spokesman said the decision was based on the recent growth in vehicle sales in Israel to about 100,000 a year from 55,000 in 1985. Previously "we thought the market was a little bit small" to enter, the spokesman said, whereas, "presently, it's growing."

Four other Japanese auto companies—Honda, Subaru, Mitsubishi, and Daihatsu—have begun selling cars in Israel in the past couple of years, and they have quickly gained more than half the market there, according to Livnat.

But other Japanese automakers have shied away, and Toyota—while never formally admitting that it was honoring the boycott—has profited handsomely by concentrating on the Arab market.

Last year the company shipped about 120,000 cars and trucks to Saudi Arabia, Kuwait and other Gulf states, according to the company spokesman. Worldwide, the company produced about 4.89 million vehicles.

The Arab League's enforcement of the boycott has never been rigorous, and Toyota presumably has concluded that its move will not invite serious retaliation by the league—especially at a time when Arab-Israeli peace talks are in the works.

The company spokesman, however, disputed a Japanese news report attributing such reasoning to Toyota.

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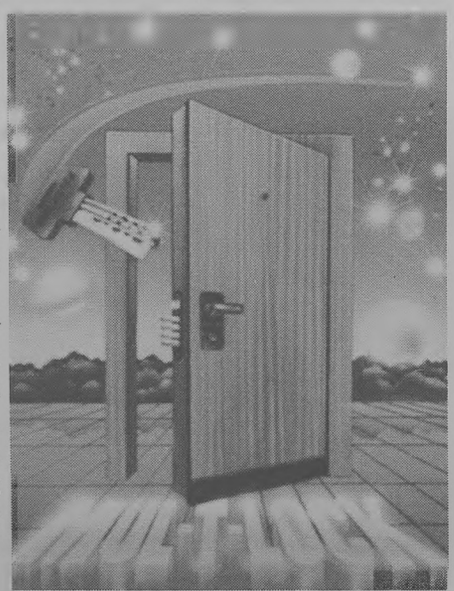
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D/12/32/LG B/15/14A/DW

PUBLISHED EVERY FRIDAY

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FIRST PUBLISHED IN 1986

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EXHIBITION CALENDAR

A schedule of local Exhibitions, Conferences and Seminars is listed the third week of each month. Overseas exhibitions at which Israeli firms will be participating are listed in the fourth week of the month.

ADVERTISING

ICEN publishes advertisements and services which are likely to be of interest to businesspeople operating in, or in conjunction with, Israel. Since ICEN is read by business executives worldwide, advertising in ICEN is a most economical and penetrating media. ICEN has access to many local and overseas publications. Please request details.

OTHER PUBLICATIONS

Sagit, publishers of ICEN, also publish other business and economic publications as well as being agents and distributors for a number of local and overseas directories, periodicals and manuals. Details appear on page 16 and in some cases are advertised in the Newsletter.

PERSONAL PROFILE

Each week ICEN features up close and personal interviews with leading business personalities.

FOREIGN EXCHANGE RATES

Foreign exchange rates of the Israeli shekel in respect of major currencies are featured on page 25.

COMPANY INDEX

The companies mentioned in this week's newletter are listed on page 24.

STOCK TABLES

Data tables showing details of Israeli stocks traded in New York are published in the first week of each month. Data on selected industrial stocks quoted on the Tel Aviv Stock Exchange are published every second week of each month. A comparison graph showing the performance of Israeli stocks versus the general Nasdaq index is published in the second week of each month.

Toyota Announces Plans To Make First Sales To Israel

In a move that may augur more extensive **Japanese** commercial relations with **Israel, Toyota Motor Corp.** announced recently that it will begin selling its automobiles in Israel.

Initial plans call for shipping between 400 and 500 Corolla sedans a month to an Israeli distributor.

These numbers are of minuscule economic significance to Toyota, which produces almost five million vehicles annually. The agreement marks a significant shift away from compliance by Japanese corporations with the Arab boycott of the Jewish state.

"This is a breakthrough," said **Max Livnat,** minister for economic affairs at the Israeli Embassy in Tokyo. "This is not just another company selling to Israel. You are talking about industrial company number one of Japan," he observed.

Livnat predicted Toyota's move will encourage additional Japanese concerns to trade with Israel.

Toyota, in fact, is not so much breaking ground as it is following the example set by a number of smaller Japanese automakers, including **Subaru, Honda, Mitsubishi** and **Daihatsu,** which have sold autos in Israel for a number of years.

Indeed, Toyota spokesmen insist the decision to enter the Israeli market was based on the same calculation that had previously kept the company out of that market — the size of the market. Israelis are currently buying about 100,000 cars annually, almost double the 55,000 bought in 1985. "We thought that the market was a little small," said a Toyota spokesman, "presently it's growing."

Toyota's decision "isn't particularly striking for me," said **Ron Morse,** vice president at the **Economic Strategy Institute,** a Washington think tank. "It's part of a general trend." Indeed, boycott or not, trade between Japan and Israel has been on the increase since the mid-1980s. Between 1984 and 1989, Japanese exports to Israel increased by as much as 100% in 1988, when it rose to $420 million, while imports from the Jewish state trebled to $760 million in 1989.

"Japanese diplomats in Israel are the only ones trying to defend a low market share," noted **Douglas Ostrom** at the **Japan Economic Institute of America** in Washington. Ostrom contends that despite the Arab boycott, Japan's trade deficit with Israel is not unusual. "Japanese trade with Israel does not look exceptionally low compared to **France** and **Germany,** but its does compared to the **United States."**

It is clear, however, that the Toyota decision to break the boycott represents a mercantilistic calculation that it won't suffer for its action. "[Toyota] made a judgment call," explained Morse, "they figure that there are so many divisions [among the Arab nations] that they can run the risk."

Toyota's decisions mirrors the Japanese government's increasing contacts with Israel, itself a reflection of Israel's decreasing reliance on Middle East oil as an energy source and Japan's efforts to globalize its diplomacy.

Whereas the government, unlike its U.S. and European counterparts, has never discouraged participation in the boycott against Israel, efforts to establish closer ties with Israel have sent an unmistakable signal.

In the aftermath of the Gulf war, the U.S. is adding its voice to those calling for the strengthening of ties between Jerusalem and Tokyo.

In his March meeting with Japanese Foreign Minister **Taro Nakayama,** Secretary of State **James Baker** suggested that Japan could strengthen ties with Israel.

"One of the things we want," a **Bush** Administration officials told **Reuters,** "is for the Japanese to make clear that it's kosher to do business with Israel." MEM

AMERICAN JEWISH CONGRESS



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FROM: OSHAP TECHNOLOGIES LTD.
39750 Grand River Avenue
Suite A3
Novi, MI 48050

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OSHAP TECHNOLOGIES LTD.
ANNOUNCES INITIAL ROBCAD ORDER FROM TOYOTA

ANTWERP, BELGIUM, MAY 14, 1991 -- OSHAP TECHNOLOGIES LTD. (NASDAQ Symbol: OSHSF) ~~today~~ announced that its Tecnomatix Technologies subsidiary received an initial ROBCAD order from Toyota Motors.

ROBCAD was chosen by Toyota Motors after a long evaluation of different products by different vendors, mainly Japanese and American companies.

The objective of the selection process was the introduction process design, robotic simulation and off-line programming technology into Toyota Motors. Additional sales can be expected as Toyota expands its use of the technology as has been the case with other major automotive companies around the world.

ROBCAD is a state-of-the-art software that assists in the design, simulation and off-line programming of flexible automation and machining systems. Using a dynamic computer graphics package, ROBCAD enables the engineer to visualize the proposed automation systems before the purchase of new equipment. ROBCAD is also recognized as the leading software for off-line programming of automated painting and welding systems on automotive assembly

- over -

lines. Automotive manufacturing clients include BMW, FIAT, FORD, GENERAL MOTORS, RENAULT, and VOLKSWAGEN; non-automotive companies include AEROSPATIALE (AIRBUS), E.D.F., BULL and WESTINGHOUSE.

OSHAP TECHNOLOGIES LTD. provides advanced computer aided engineering workstations, flexible machining systems, and standard automation products to major worldwide industrial concerns. OSHAP is also a manufacturer of hyperthermia equipment and software products primarily used for Inter-Bank communications.

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TOYOTA

TOYOTA MOTOR SALES, U.S.A., INC.

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19001 S. WESTERN AVE.
P.O. BOX 2991
TORRANCE, CA 90509-2991

February 26, 1991

Mr. Alvin Shapiro
7141 Creeks Crossing
West Bloomfield, MI 48322

Dear Mr. Shapiro:

Thank you very much for your recent inquiry about Toyota's policy concerning export to Israel.

The decision to begin business in a new country is one which Toyota does not take lightly. Toyota is proud of its record of providing full support to distributors and employees around the world to ensure their livelihood and continued ability to be successful once we have entered into a business relationship. We continue to follow the practice of carefully entering new markets one step, one county, at a time. We feel that this is the best policy.

Entering a new market for Toyota is much more than simply making cars available for a local distributor to sell. The decision demands a major commitment of resources, including time, money and manpower, to establish a stable sales and service operation that will fulfill its obligations to the local consumers, community, companies, and employees. When viewed in light of the current international business climate, with Toyota severely stretching limited resources on major operations in, for example, the United States and the United Kingdom among many others, the decision to make another new commitment becomes increasingly difficult.

Toyota's position regarding direct business in Israel will continue to be made solely on the basis of these business considerations.

Sincerely,

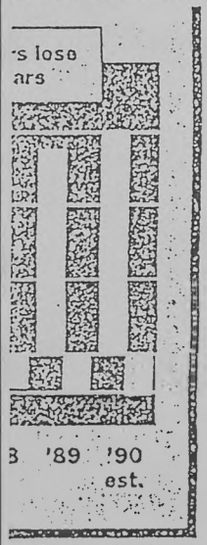
William E. Pauli

William E. Pauli
National Communications & Contributions Manager

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The New York Times

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n Page C2

Toyota to Sell Cars in Israel, Officials Say

By DORON P. LEVIN

Special to The New York Times

DETROIT, April 10 — The Toyota Motor Corporation is expected to announce that it will begin selling cars in Israel despite the continuing Arab economic boycott of that country, officials of the Japanese auto maker said today.

For the last two years, Toyota officials say, they have been under mounting pressure from Jewish organizations in the United States to begin sales operations in Israel. The pressure has taken the form of letters to Toyota and to newspapers but has not involved any threats of a boycott, according to the officials.

All 21 members of the Arab League refuse to have any economic dealings with Israel, and 13 of them participate in a secondary boycott against companies doing business there. Companies that break the boycott can be blacklisted and forbidden to do business.

Boycott Never Acknowledged

Toyota has never acknowledged that it was complying with the boycott. Rather, company officials insisted they did not have the resources to sell cars in Israel, and "when the time was right they would consider it," in the words of a Toyota spokesman.

Several other Japanese auto makers, including Honda's United States subsidiary, sell vehicles in Israel. Toyota is known as the most conservative of Japanese auto makers, so it is not surprising that it has allowed others to go first.

Like many Japanese companies, Toyota is acutely aware of American political currents. This week, 82 members of the United States Senate signed a letter to the Emir of Kuwait

Continued on Page C5

EalVCsh	255	35	5.72	KidPePr	1202	38	5.88	PrulnMM	506	66	6.32	WrighlMod	45	46	5.87	InsITF	94	64	4.61	USAA VA	44	48	4.6
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EmblPr	486	66	6.07	LehPFd	1600	59	6.08	PulDDiv	824	82	5.99	Tax Exempt:				JanMS TF	90	36	4.09	ValLinTxE	61	30	4.3
EmblUS	416	63	5.91	LehPTEd	1660	40	6.16	PW RMA	4875	56	6.11	ASO TxEx	42	56	3.74	KmprMM	807	36	4.32	VanKmpTF	75	77	4.5
EnterMM	73	36	5.70	LehPTCs	736	56	6.42	PW Relr	2217	67	5.94	AT OhioTx	284	35	4.11	KiddrPeaTx	750	59	4.12	VanCA	731	61	4.4
EvgrnM	482	66	6.37	LehPImp	8225	48	6.76	PW RM US	973	53	5.89	ActAstTx	1458	36	4.05	KidP CalT	247	38	3.41	VanNJ	578	88	4.5
FBL	68	65	5.79	LehPTrs	1439	50	6.08	QuesICsP	1284	44	5.85	AlexB TF	267	44	3.96	KidP NJ	35	87	4.53	VanOH	53	75	4.6
FFB Csh	663	56	6.31	LdmkCs	441	56	5.97	QuesCsG	167	63	5.59	AllaTax	960	61	3.96	KidPE NY	41	72	4.10	VanPA	760	47	4.4
FFB US Gvl	737	56	5.88	LdmkPrmLg	150	56	6.23	RNC Lin	82	61	6.14	AllTxCal	123	50	3.71	LehPMCa	622	73	3.86	VanMB	2708	71	4.6
FFB US Tr	418	71	5.72	LaurGll	214	42	6.01	ReplDSl	276	72	5.82	AllTxNY	76	47	3.52	LehPMNY	385	47	3.76	VistaTF	131	50	4.0
FedMutr	1563	48	6.14	LaurPrl	161	68	6.08	RenaisGvl	79	43	5.88	AlturTF	49	43	4.17	LehPMCs	394	36	4.37	VistaNY	261	67	3.3
FdShUS	1695	41	6.07	LaurPrll	697	73	6.27	RenaisMM	431	25	6.13	AmExCal	783	35	3.70	LehPMu	1191	79	4.28	WPG TX	90	57	4.7
FidCsRes	10875	69	6.07	LauUSTr	466	39	6.02	ReserveFd	1935	41	5.62	AmExTxDD	3278	58	4.18	LndmkNY	669	54	3.71	WoodTE	747	45	4.3
Fid FDIT	2950	48	5.99	LeoMCR I	970	66	5.67	ReserveFd Gvl	923	18	5.35	AmExNY	653	77	3.60								

Toyota to Sell Cars in Israel, Officials Say

Continued From First Business Page

requesting that his country drop the boycott.

And in recent weeks Secretary of State James A. Baker 3d has been urging Arab governments to drop economic sanctions against Israel, saying it could reduce tension in the region and "build confidence" in advance of peace negotiations.

Gulf War Delayed Plan

In their talks last week, President Bush asked Prime Minister Toshiki Kaifu of Japan to clarify the Japanese Government's stance with respect to the boycott, a State Department spokesman said.

The Japanese Government, which imports most of its oil from the Middle East, is thought to have counseled some Japanese companies against economic tics with Israel, said William Maslow, general counsel of the American Jewish Congress. The organization publishes a newsletter that monitors developments concerning the 42-year-old boycott.

The Toyota officials said they had been planning to begin exporting cars from Japan to Israel before the Persian Gulf conflict but they suspended the plan because of the crisis. Toyota's decision comes against a backdrop of heightened United States diplomatic action toward easing economic and other tensions in the Middle East.

Toyota will begin by selling its 1.6-liter Corolla subcompact and may add more models later. The No. 1 auto maker in Japan hopes to sell 5,000 cars in Israel in 1992, which would amount to about 5 percent of the annual new-car market in Israel.

A 'Significant' Market

The company's goal is to grow to about 20 percent of the market within a few years, its officials said. Last year Israelis bought about 109,000 new cars, 15 percent more than the previous year.

"Israel is not a huge market but it is significant," a senior Toyota official said. By contrast about 10 million cars are sold annually in the United States; Toyota's share is about 8.5 percent.

The Corollas will be exported directly from Japan, the officials said, but American-built vehicles may eventually be exported to Israel.

Because the United States and Israel have a free-trade agreement, Honda and other Japanese auto makers that export from this country enjoy a considerable advantage over other auto makers, which must pay a stiff tariff.

S.& P. Sets Ratings Link

MELBOURNE, Australia, April 10 (Reuters) — The Standard & Poor's Corporation and its wholly owned subsidiary, Australian Ratings Ltd., said today that they would merge their securities rating systems in early June. They said the staffs of the two agencies would combine their analytical criteria and credit opinions.

New York Times
4/11/91

בכירים בסעודיה נתנו לטויוטה אור ירוק לסחור עם ישראל

Toyck

מאת מרית גילת

חברת טיוטה החליטה למכור מכוניות לישראל בעקבות "מידע מהימן" שהגיע לידי סוכני החברה בסעודיה, המצביע על התקדמות לכיוון נורמליזציה ביחסי מדינות ערב וישראל בעקבות המלחמה במפרץ. כך גילה נשיא חברת טויוטה, שואיצ'ירו, בראיון לירחון הכלכלי היפני "סטקו" המופץ למינוים בלבד.

"סוכני הרכב (שלנו) במדינות ערב הם ברדך כלל אנשי משפחת המלוכה או מקורבים לממשלה והם לא נוהגים לשקר לנו", אמר שואיצ'ירו והוסיף, כי על פי שיפוטו מצב היחסים בין סעודיה לישראל "משתפר". לדבריו טויוטה מייצאת 130 אלף מכוניות למזרח התיכון ודרום אסיה כאשר סעודיה הינה הלקוח הגדול ביותר של החברה באיזור. שואיצ'ירו אמר, כי טויוטה תתחיל לייצא לישראל בחודש נובמבר והצפי הוא לייצוא בהיקף של 5000 מכוניות לשנה.

לדברי נשיא יצרנית המכוניות הגדולה ביפן, ההשפעה האמריקאית במזרח התיכון עולה ואילו המתח בין הערבים לישראל פוחת. כדוגמה להגמשה בקרב העולם הערבי הוא הביא את עובדת חזרתה של מצרים לחיק הליגה הערבית ב־1989. "אני מאמין כי יחסי ישראל ערב מתייצבים לאחר המלחמה במפרץ", אמר.

שואיצ'ירו הוסיף, כי החלטת החברה לייצא לישראל איננה מבוססת על לחץ אמריקאי או על בקשה מממשלת יפן, שהכריזה לאחרונה כי החרם הערבי מעיב על הסחר החופשי. לדבריו החברה מתכננת לפתוח סוכנות בישראל זה מספר שנים, אולם, המשבר במפרץ הקפיא את תוכניותיה. לטענתו, מעולם לא היתה לחברה מדיניות הנשענת על החרם הערבי והמונעת ייצוא לישראל; לחברה שמייצאת למדינות ערב מליוני מכוניות בשנה, פשוט אין מלאי גדול מספיק בכדי להרחיב את הייצוא שלה עד לישראל. (זאת למרות שהיא כן מייצאת למשל ללבנון).

"טויוטה מייצאת ליותר מ־140 מדינות ואנו רוצים לייצא לכל העולם, אבל עד כה לא יצרנו די מכוניות כדי לספק את כל הצריכה", אמר שואיצ'ירו והוסיף כי אין החברה מצטערת על החלטתה לייצא לישראל אך בכוונתה לפעול בנושא "בזהירות, בשקט ובצורה מסודרת".

Davar June 16, 1991

SENIOR SAUDIS GAVE TOYOTA THE GREEN LIGHT TO TRADE WITH ISRAEL

Toyota decided to sell cars to Israel as a result of "reliable information" that came to the attention of the company's agencies in Saudi Arabia, the points to progress towards normalization of relations between the Arab States and Israel following the Gulf War. This was revealed in a Japanese economic monthly by the president of Toyota.

"Our dealers in the Arab countries are generally members of the royal family or close to the government, and they don't usually lie to us," said Toyota's president, adding that in his judgment, relations between Saudi Arabia and Israel "are improving." He said that Toyota exports 130,000 cars to the Middle East and South Asia, and that Saudi Arabia is the company's biggest customer in the region. He said that Toyota will start exporting to Israel in November, and the expectation is to export around 5,000 automobiles per year.

According to the president of Japan's largest car manufacturer, American influence in the Middle East is growing and tension between the Arabs and Israel is decreasing. As an example of the flexibility in the Arab world, he pointed out Egypt's return to the Arab League in 1989. "I believe that Arab-Israeli relations are stabilizing since the Gulf War."

He said that the company's decision to export to Israel is not based on American pressure or on any request by the Japanese government, which recently declared that the Arab boycott runs counter to the idea of free trade. He said that the company has intended to open dealerships in Israel for several years, but the Gulf crisis froze the plans. He claimed that never had the company adopted a policy of compliance with the Arab boycott preventing exports to Israel; for a company that exports millions of car to Arab countries each year, there is simply not a large enough market to justify expansion of its exports to Israel. (This, despite the fact that the company now exports, for example, to Lebanon.)

"Toyota exports to over 140 countries and we want to export to the whole world, but until now, we have not produced enough cars to supply the entire demand," said Toyota's president, adding that the company does not regret its decision to export to Israel, although it intends to act "with caution, quietly, and in an orderly fashion."

B / Tokyo

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EllunMM	40	77	6.83	LehPFdT	53	32	6.17	PrulnGov	59	68	5.55		Tax Exempt			JanMS TF	90	36	4.09	ValLinTxF	61	30	4.3
EmblPr	486	66	6.07	LehPFd	1600	59	6.08	PulDDiv	874	82	5.99					KmprMM	809	36	4.32	VanKmpTF	75	77	4.5
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EnterMM	73	36	5.20	LehPTCs	736	56	6.47	PW Reir	2217	67	5.94	AT OhioTx	284	55	4.11	KidP CalT	247	38	3.81	VangNJ	528	88	4.5
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FBL	68	65	5.79	LehPTrs	1439	50	6.08	QuesICsP	1284	44	5.85	AlxD TF	267	44	3.96	KidP NJ	35	87	4.53	VangPA	760	47	4.4
FFB Csh	663	56	6.31	LdmkCs	441	56	5.97	QusICsG	167	63	5.59	AlliaTax	960	61	3.96	KidPE NY	41	72	4.10	VangMB	2708	71	4.6
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FFB US Tr	418	71	5.72	LaurGll	214	42	6.01	ReplsDSl	276	72	5.82	AllTxNY	76	47	3.52	LehPMNY	385	47	3.76	VistaTF	131	50	4.0
FedMstr	1563	48	6.14	LaurPrl	161	68	6.08	RenaisGvl	79	43	5.88	AlltrTF	49	43	4.17	LehPMCs	394	56	4.37	VistaNY	261	62	3.3
FdShtUS	1095	41	6.07	LaurPrll	697	73	6.27	RenaisMM	431	75	6.13	AmExCal	783	55	3.73	LehPMNJ	1191	29	4.28	WPG TX	90	57	4.7
FidCsRes	10825	69	6.07	LaurUSTr	466	39	6.07	ReserveFd	1935	41	5.62	AmExTxDD	3278	56	4.18	LndmkNY	669	54	3.71	Wood1E	247	45	4.3
Fid TDIT	2950	48	5.99	LegMCR I	970	66	5.67	ReserveFd Gvl	923	18	5.35	AmExNY	653	77	3.60								

Toyota to Sell Cars in Israel, Officials Say

By DORON P. LEVIN

Special to The New York Times

DETROIT, April 10 — The Toyota Motor Corporation is expected to announce that it will begin selling cars in Israel despite the continuing Arab economic boycott of that country, officials of the Japanese auto maker said today.

For the last two years, Toyota officials say, they have been under mounting pressure from Jewish organizations in the United States to begin sales operations in Israel. The pressure has taken the form of letters to Toyota and to newspapers but has not involved any threats of a boycott, according to the officials.

All 21 members of the Arab League refuse to have any economic dealings with Israel, and 13 of them participate in a secondary boycott against companies doing business there. Companies that break the boycott can be blacklisted and forbidden to do business.

Boycott Never Acknowledged

Toyota has never acknowledged that it was complying with the boycott. Rather, company officials insisted they did not have the resources to sell cars in Israel, and "when the time was right they would consider it," in the words of a Toyota spokesman.

Several other Japanese auto makers, including Honda's United States subsidiary, sell vehicles in Israel. Toyota is known as the most conservative of Japanese auto makers, so it is not surprising that it has allowed others to go first.

Like many Japanese companies, Toyota is acutely aware of American political currents. This week, 82 members of the United States Senate signed a letter to the Emir of Kuwait

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The New York Times

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Toyota to Sell Cars in Israel, Officials Say

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requesting that his country drop the boycott.

And in recent weeks Secretary of State James A. Baker 3d has been urging Arab governments to drop economic sanctions against Israel, saying it could reduce tension in the region and "build confidence" in advance of peace negotiations.

Gulf War Delayed Plan

In their talks last week, President Bush asked Prime Minister Toshiki Kaifu of Japan to clarify the Japanese Government's stance with respect to the boycott, a State Department spokesman said.

The Japanese Government, which imports most of its oil from the Middle East, is thought to have counseled some Japanese companies against economic ties with Israel, said William Maslow, general counsel of the American Jewish Congress. The organization publishes a newsletter that monitors developments concerning the 42-year-old boycott.

The Toyota officials said they had been planning to begin exporting cars from Japan to Israel before the Persian Gulf conflict but they suspended the plan because of the crisis. Toyota's decision comes against a backdrop of heightened United States diplomatic action toward easing economic and other tensions in the Middle East.

Toyota will begin by selling its 1.6-liter Corolla subcompact and may add more models later. The No. 1 auto maker in Japan hopes to sell 5,000 cars in Israel in 1992, which would amount to about 5 percent of the annual new-car market in Israel.

A 'Significant' Market

The company's goal is to grow to about 20 percent of the market within a few years, its officials said. Last year Israelis bought about 109,000 new cars, 15 percent more than the previous year.

"Israel is not a huge market but it is significant," a senior Toyota official said. By contrast about 10 million cars are sold annually in the United States; Toyota's share is about 8.5 percent.

The Corollas will be exported directly from Japan, the officals said, but American-built vehicles may eventually be exported to Israel.

Because the United States and Israel have a free-trade agreement, Honda and other Japanese auto makers that export from this country enjoy a considerable advantage over other auto makers, which must pay a stiff tariff.

S.& P. Sets Ratings Link

MELBOURNE, Australia, April 10 (Reuters) — The Standard & Poor's Corporation and its wholly owned subsidiary, Australian Ratings Ltd. said today that they would merge their securities rating systems in early June. They said the staffs of the two agencies would combine their analytical criteria and credit opinions.

New York Times

4/11/91

Toyota

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Toyota Announcement Due On the Sale of Cars in Israel

Continued From First Business Page

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NEWS

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Toyok

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FOR IMMEDIATE RELEASE

New York, NY, April 11...The Anti-Defamation League today welcomed the Toyota Motor Company's decision to sell cars in Israel "as a constructive step toward enhancing trade relations between the two democracies."

Today's announcement reverses Toyota's policy of not selling cars to Israel.

In a letter today to Toyota President Shoichiro Toyoda, ADL National Director Abraham H. Foxman said he hopes that other Japanese companies will follow Toyota's lead, adding that "such initiatives will contribute to the search for peace and stability in the region."

"Efforts by Arab states to enforce the economic boycott of Israel are destructive politically and harmful to the creation of a world marked by free trade," Foxman said. "For decades," the ADL leader pointed out, "the Arab states have used the boycott to advance their hostile intentions to undermine Israel's viability as a sovereign state and to cast it as a pariah in the international sphere."

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Toyota accused of boycott compliance

By STEWART AIN

Japanese officials of Toyota are continuing to participate in the Arab boycott of Israel, rejecting a request by American executives of Toyota to make a deal with a leading Israeli car dealer, according to the American Jewish Congress.

Nissan is the only other Japanese auto dealer that refuses to sell its cars in Israel, according to the AJCongress.

In its monthly publication, Boycott Report, the AJCongress said the Israeli car dealer KLAL wanted to obtain a Toyota franchise from the American subsidiary of Toyota, which operates a large manufacturing plant in Lexington, Ky.

"The American executives of Toyota were eager to make a deal with KLAL, but the Japanese vetoed the proposition," said the publication. "Their lame excuse was that Toyota lacked sufficient executives to supervise the new Israeli franchise. We believe that, on the contrary, Toyota's refusal is an indication of its participation in the Arab boycott of Israel."

The publication noted that last November the American subsidiary of another Japanese car dealer, Honda, agreed to sell its autos in Israel and that its Japanese parent agreed to ship spare parts to Israel, if necessary. In addition to Honda, other Japanese auto makers that sell their cars in Israel are Mitsubishi, Subaru, Suzuki and Daihatsu.

Japan is heavily dependent upon the Middle East for oil and Saudi Arabia is Japan's largest trading partner in that region.

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